PRESS CONFERENCES

of

THE PRESIDENT

1933 -- Mar. 8 to June 30

Henry M. Kannee,
Official Reporter.

CONFIDENTIAL
Press Conference #1
At the White House, Executive Offices

March 8th, 1933 - 10.10 A.M.

(Mr. Young introduced the members of the Press to the President.)

THE PRESIDENT: It is very good to see you all and my hope is that these conferences are going to be merely enlarged editions of the kind of very delightful family conferences I have been holding in Albany for the last four years.

I am told that what I am about to do will become impossible, but I am going to try it. We are not going to have any more written questions and of course while I cannot answer seventy-five or a hundred questions because I simply haven't got the physical time, I see no reason why I should not talk to you ladies and gentlemen off the record just the way I have been doing in Albany and the way I used to do it in the Navy Department down here. Quite a number of you, I am glad to see, date back to the days of the previous existence which I led in Washington.

(Interruption -- "These two boys are off for Arizona." John and Franklin Roosevelt saying "good-bye".)

And so I think we will discontinue the practice of compelling the submitting of questions in writing before the conference in order to get an answer.

There will be a great many questions, of course, that I won't answer, either because they are "if" questions -- and I never answer them -- and Brother Stephenson will tell you what an "if" question is --

MR. STEPHENSON: I ask forty of them a day.

THE PRESIDENT: And the others of course are the questions which for various reasons I don't want to discuss or I am not ready to discuss or I don't know anything about. There will be a great many questions you will ask about that I don't know enough about to answer.

Then, in regard to news announcements, Steve and I thought that it was best that street news for use out of here should be always without direct quotations. In other words, I don't want to be directly quoted, with the exception that direct quotations will be given out by Steve in writing. Of course that makes that perfectly clear.

Then there are two other matters we will talk about: The first is "background information", which means material which can be used by all of you on your own authority and responsibility and must not be attributed to the White House, because I don't want to have to revive the Ananias Club. (Laughter)

Then the second thing is the "off the record" information which means, of course, confidential

information which is given only to those who attend the conference. Now there is one thing I want to say right now on which I think you will go along with me. I want to ask you not to repeat this "off the record" confidential information either to your own editors or associates who are not here because there is always the danger that while you people may not violate the rule, somebody may forget to say, "This is off the record and confidential", and the other party may use it in a story. That is to say, it is not to be used and not to be told to those fellows who happen not to come around to the conference. In other words, this is only for those present.

Now, as to news, I don't think there is any. (Laughter)

Steve reminds me that I have just signed the application for Associate Membership in the Press Club, which I am very happy to do.

Q Will you go to Congress or send your message?

THE PRESIDENT: Send it.

Q When will it be available here for us?

THE PRESIDENT: Judging by the fact that I haven't started to write it, I should say at the very last minute possible. I shall let you have it as soon as I can.

Of course it will be for release when transmitted. I doubt very much if you will get it very much more than half an hour before it is taken to the Capitol.

Q Will it be brief?

THE PRESIDENT: The situation demands brevity.

Q On the Hill they say you only recommend emergency stuff and that Congress will possibly adjourn next Monday or earlier and reconvene a short time after and take up permanent stuff as well as your complete program. Is that your idea of it?

THE PRESIDENT: I hope I can put it this way -- and this comes under the second category -- "background information" and "not off the record" because there is no reason why you should not use it in writing your stories. The general thought at the present time is that it is absolutely impossible by tomorrow to draft any complete or permanent legislation either on banking or on budget balancing or on anything else, because the situation, as you all know, is changing very much from day to day, so much so that if I were to ask for any specific and detailed legislation it might be that the details will have to be changed by a week from today and therefore it is necessary -- I think you can make a pretty good guess -- that I shall have to ask for fairly broad powers in regard

to banking -- such powers that would make it possible to meet the changing situation from day to day in different parts of the country. We cannot write a permanent banking act for the nation in three days. That is about the size of it.

Q Do you favor national scrip or scrip issued by clearing houses?

THE PRESIDENT: Well, there again you are getting down to details and a very good illustration of why you cannot ask for too detailed legislation. About Monday, the day before yesterday, a very, very wide use of scrip seemed necessary and by last night it looked possible to avoid such a general use of scrip. But it does not mean that scrip will be eliminated by any means. Scrip may be used in many localities pending the working out of a sounder plan and more permanent plan to get additional currency into use. Now, I can't tell you any more about that, because we are still working on the details, but essentially it means an addition to the available currency.

Q Could you comment on the report that no additional legislation is needed for the printing of additional currency; that a rider attached to the Home Loan Bank Bill provides for expansion to the extent of at least one and a half billion and that these Federal Reserve Bank notes are already being printed?

THE PRESIDENT: Frankly I don't know. I am inclined to think -- and this answer is off the record because it is just a thought on my part -- that separate legislation ought to be given on that instead of relying on some obscure clause in the Home Loan Bill. In other words, we want everything out on the table.

Q You mentioned in your greetings to the Governors on Monday that you favored a unified banking system. Is that in your emergency plan?

THE PRESIDENT: That wasn't quite the way I put it to them. What I said to them was that it was necessary to treat the state and national banks the same way in this emergency so there would not be two different classes of banks in this country, and the other thing I said was to try to avoid forty-eight different plans of putting this into effect.

Q Do I understand you are going to keep hold of this banking situation until permanent legislation is enacted?

THE PRESIDENT: Off the record answer, yes.

Q Your idea is that after getting through the emergency you may get a breathing spell until the permanent program is in form.

THE PRESIDENT: Yes, I was coming to that. This is what

might be called the "present thought" because everything is subject to change these days within twenty-four or twelve hours. The general thought is that we would try to get through the two or three emergency matters as quickly as possible, and that then -- and, mind you, I haven't talked even to the Congressional leaders about this, so it only comes through this end of it; there is no agreement on it, but I am going to have a talk with them this afternoon and then Congress should recess for I don't know how long a time, but not very long -- for a matter of two or three weeks to enable me to work out and draft more permanent legislation.

Q Mr. President, can you tell us, please, whether this suggestion of bills to be used in Postal Savings accounts for checking purposes is being considered?

THE PRESIDENT: I think the Secretary of the Treasury is examining into it. I don't know.

Q What is going to happen after Thursday night, Mr. President, when the holiday ends? Are you going to call another one?

THE PRESIDENT: That depends on how fast things move.

Q Depending on what Congress does too?

THE PRESIDENT: (Nods) Of course, undoubtedly there are necessary in regard to certain phases of the financial situation some form of additional proclamations.

That means, for example, the question of control of gold. That is obvious. As long as nobody asks me whether we are off the gold standard or gold basis, that is all right, because nobody knows what the gold basis or gold standard really is. If you want a definition of the gold standard, read my friend Robey's story in the New York Evening Post of last night. I think it is about as good a definition as there is. It is quite short and if you would like to hear it, I will read it to you. It is a pretty good document.

AUDIENCE: If it really tells us what the gold standard is --

THE PRESIDENT: It is pretty good. It doesn't say whether we are on or off it.

> Declaration of the national moratorium has raised the question in many minds as to what constitutes a gold standard. More specifically many people have wondered whether the United States by this action has suspended the gold standard in a true sense. The Treasury officials and some of the bankers maintain that we have not. Obviously, the answer to the question rests upon one's conception of what it is necessary for a country to do in order to maintain a metal standard.
>
> This is a problem which can be answered with definiteness. Over a long period four things have come to be recognized as requisites of a gold standard. When a country is complying with these it is on the standard. When it does not it is off the standard.

> The first of these requisites is that there shall be a coin of definite weight and fineness. This, of course, is established by law. In the United States the standard unit is the dollar, consisting of 25.8 grains, 9-10 fine, or 23.22 grains of pure gold.

Well, of course on that first requisite we are on the gold standard.

> The second requisite is that there be free and unlimited coinage. In a country upon a gold standard one may take any amount of the metal to the Government and it will be coined into dollars of the established weight or rate. Whether a brassage charge is made is of no significance. Put in other words, this means that the Government will buy gold at a set price. In the United States this is about $20.67 an ounce.

Well, we are still on the gold standard, and the more people who bring gold to have it made into money the better.

> The third requisite is that there be convertibility of paper money into gold. This, in a sense, is the reverse side of free and unlimited coinage. In other words, just as one can take any amount of gold metal to the mint and get money in return at a definite rate, so he can take any amount of currency and get gold at a definite rate. In the United States we have seven kinds of paper money, some of which are not directly redeemable in gold according to the law but all of which under the gold standard act of 1900 must be kept at a par with gold.

Well, you can draw your own conclusions as to that.

> The final requisite is that there must be free movement of gold. This is of significance in the exportation of gold. It is through the enjoyment of this freedom that the currency of one country is kept at an approximate equilibrium with the currency of other nations. Only when

there is not such freedom of import and export of gold does the currency of one country fall to any substantial discount in relation to another currency.

Well, of course on that question of the foreign trade in gold, for a good long time as a matter of actual fact the United States has been the only country on the gold standard. France has been theoretically on a gold standard, but nobody in France can go and take a bill to the bank and get gold for it and as far as imports and exports go in France, it has been government controlled. The same thing holds true in Switzerland and Holland and it is only up to last Sunday night that we have had free trade in gold, and now we haven't.

Q Shall we get ready to revive the term of "Controlled inflation?"

THE PRESIDENT: I wish somebody would invent a new term. I don't know what it is.

Q May I ask if the long-time settlement of the banking situation is inter-meshed with the world economic conference?

THE PRESIDENT: I should say on that -- background information -- so far as banks go within the United States, no. So far as international exchange goes, yes. I think that is the easiest way of putting it. In other words, the opening of banks and the maintaining

of banks once they are opened is not connected with the world economic conference.

Q In your inaugural address, in which you only touched upon things, you said you are for sound and adequate --

THE PRESIDENT: I put it the other way around. I said "adequate but sound."

Q Now that you have more time, can you define what that is?

THE PRESIDENT: No. (Laughter). In other words -- and I should call this "off the record" information -- you cannot define the thing too closely one way or the other. On Friday afternoon last we undoubtedly didn't have adequate currency. No question about that. There wasn't enough circulating money to go around.

Q I believe that. (Laughter).

THE PRESIDENT: We hope that when the banks reopen a great deal of the currency that was withdrawn for one purpose or another will find its way back. We have got to provide an adequate currency. Last Friday we would have had to provide it in the form of scrip and probably some additional issues of Federal Bank notes. If things go along as we hope they will, the use of scrip can be very greatly curtailed and the amounts of new Federal Bank issues we hope can be also limited to a very great extent. In other words, what you are coming

to now really is a managed currency, the adequateness of which will depend on the conditions of the moment. It may expand one week and it may contract another week. That part is all off the record.

Q Can we use that part -- managed?

THE PRESIDENT: No, I think not.

Q That is a pretty good substitute for "controlled".

THE PRESIDENT: Go and ask Will Woodin about it.

Q He's too busy. (Laughter)

Q Now you came down to adequacy, but you haven't defined what you think is sound, or don't you want to define that now?

THE PRESIDENT: I don't want to define "sound" now. In other words, in its essence -- this is entirely off the record -- in its essence we must not put the Government any further in debt. Now, the real mark of delineation between sound and unsound is when the government starts to pay its bills by starting printing presses. That is about the size of it.

Q Couldn't you take that out and give it to us. That's a very good thing at this time.

THE PRESIDENT: I don't think so. There may be some talk about it tomorrow.

Q When you speak of a managed currency, do you speak of a temporary proposition or a permanent system?

THE PRESIDENT: It ought to be part of the permanent system -- that is off the record -- it ought to be part of the permanent system so we don't run into this thing again.

Q Mr. President, you said there would be two or three other subjects considered at this special session of Congress?

THE PRESIDENT: There are going to be surprises.

Q Will those subjects be mentioned in your message?

THE PRESIDENT: I don't know. I don't know whether in the first message or not. There might be another one.

Q Reorganization will be taken up first?

THE PRESIDENT: Yes.

Q Can you tell us anything about guaranteeing of bank deposits?

THE PRESIDENT: I can tell you as to guaranteeing bank deposits my own views and I think those of the old administration. It is that the general underlying thought behind the use of the word "guarantee" with respect to bank deposits is that you guarantee bad banks as well as good banks and the minute the government starts to do that the government runs into a probable loss. I will give you an example.

Suppose there are three banks in town, one is 100% capable of working out, one fifty per cent and another ten per cent. Now, if the Government puts a 100% guarantee, it will lose 50% on one and 90% on the other. If you put on a 50% guarantee, it will lose nothing on the first and second, but will lose a lot on the 10% solvent bank. Any form of general guarantee means a definite loss to the government and the whole objective in the plan that we are working on can be best stated this way: There are undoubtedly some banks that are not going to pay one hundred cents on the dollar. We all know it is better to have that loss taken than to jeopardize the credit of the United States Government or to put the United States Government further in debt, and, therefore, the one objective is going to be to keep the loss in the individual banks down to a minimum, endeavoring to get 100% on them, but not having the United States Government liable for the mistakes and errors of individual banks and not putting a premium in the future on unsound banking.

Q That is off the record?

THE PRESIDENT: Yes.

Q Couldn't you make it the background. There is a demand for the guarantee proposition.

THE PRESIDENT: I know, but the reason -- As long as you don't write stories to give the average depositor any thought that their own particular bank isn't going to pay. That is what I want to avoid because when you come down to it, the great majority of banks are going to pay up. Then there will be another very large volume of banks which won't pay out the whole thing immediately, but will pay out 100% in time and there will be a very small number of banks that will probably have to go to the Examiner, but I don't want anybody to get the idea in reading the stories that the average bank isn't going to pay one hundred cents on the dollar, because the average bank is going to pay.

Q For such banks as must go, isn't Senator Glass' liquidating corporation, whereby the liquidation of good assets help to put off the bad effects ----

THE PRESIDENT: I don't know enough about that. Did it go through?

Q Through the Senate.

THE PRESIDENT: That is in the Glass Bill?

Q Yes, sir.

Q You do have in mind guaranteeing deposits of banks on the new basis?

THE PRESIDENT: No; no government guarantee.

Q You would have to have that guarantee under the new banking system.

THE PRESIDENT: There would have to be a guarantee?

Oh, no. The government isn't going to guarantee any banks.

Q How about the insurance of bank deposits ---

THE PRESIDENT: Haven't touched that.

Q Anything on this Cotton Bill they have been talking about -- trying to get signed now?

THE PRESIDENT: I haven't had time. I have a couple of briefs here on my desk and haven't read them yet.

Q Since you have been President, have you any additional views on reorganization?

THE PRESIDENT: Reorganization of the Government?

Q Yes, sir.

THE PRESIDENT: Except that it has got to proceed as fast as the law will let us. Still agree with what I thought several months ago.

Q Do you know anything about Woodcock ordering the speak-easies not to be raided any more?

THE PRESIDENT: Never heard about it.

(Photos)

The Conference adjourned at 10:45 A.M.)

CONFIDENTIAL
Press Conference #2
At the White House
Executive Offices

March 10th, 1933 - 4.20 P.M.

THE PRESIDENT: I am sorry to have kept you waiting, but we just got to chatting in the Cabinet.

Q Economics, Mr. President?

THE PRESIDENT: No, I was just telling stories.

Q We don't mind waiting, but when are you going to give us a rest. (Laughter)

Q Is there going to be a conference tonight?

THE PRESIDENT: No. I think after this I am going to see the Secretary of State and Mr. Norman Davis to talk about the Disarmament Conference which I haven't taken up at all since I got down here and after that I am going back to the White House and expect to do no more work today.

Q What do you have in mind on the Disarmament Conference?

THE PRESIDENT: I don't know. We haven't met. For those of you who were not here yesterday, I think you probably heard about the general thought: There would not be any written questions and of course no quotations. And then, what I do say, will be either for background information -- which means material which can be used by the Press on their own authority

and responsibility and must not be attributed to the White House -- or "off the record", which means really confidential information and must not be transmitted even to the City Desk or the Managing Editor, so that it will really be off the record.

Then, there is one other thing I thought about the day before yesterday: I saw somebody edging toward the door in the middle of the talk and knowing some of the troubles we had in Albany on that the first year I was there -- for instance old George Morris, whom I have known about a hundred years (laughter) would try to make a sneak for the door, and the rule applied was that anybody could edge toward the door during the conference, but could not actually go out of the room. (Laughter) I can't think of anything else. I suppose you want to know something about banking?

Q Yes, sir.

THE PRESIDENT: I'd much rather use the statements that have been coming from -- given out by the Treasurer on it. But I will see if I can't put it into words of one syllable for your information because I am not very much for the statements that come from the financial people. I should say, roughly speaking, the situation is this: Considering the fact that the

bill was only passed last night and was signed at 8.30 last evening, the Treasury is making very rapid progress. As I understand it -- Steve, correct me if I am wrong on this because it is just recollection -- as I understand it, the Treasurer has given out a definite order which has actually gone all over the country that any bank, no matter what its condition, can open up for what might be called "purposes of humanity." --

Q What was that last?

THE PRESIDENT: -- can open up for what might be called "purposes of humanity"; in other words, common sense things -- payrolls and household necessities, food, medicine and the servant girl's wages, and that the Treasury is relying on the officers of every bank in the country to see to it that the spirit of this rule is not over-stepped. They will be open for the carrying on of the necessary conveniences of families and employers over the week-end. I think that is the easiest way to translate the purpose behind the formal order.

Then the second point is that the twelve Federal Reserve Banks -- in other words the Government's own banks will be open tomorrow. Of course open only for certain government transactions, which means

helping the member banks under them. That is the principal purpose. Of course, bear in mind that a Federal Reserve Bank is not a bank on which you have a checking account to draw on individual deposits. That will facilitate member banks making their borrowings -- getting their cash from the Federal Reserve Banks so that they can open up on Monday.

Now, as to the opening up: It will proceed on two lines, simultaneously in every part of the country. The first is the release of the banks that are members of the Federal Reserve System --

Q That is whether national or state, as long as they are members?

THE PRESIDENT: Any bank that is a member of the Federal Reserve System. Now that means all the national banks and a lot of state banks besides. They will get and are getting today permission from the Federal Government -- I forget whether it is the Comptroller or the Secretary of the Treasury -- it doesn't make much difference. They have got to show that they are sound -- solvent -- and then they will be given authority to go ahead and open up.

Q All along the line, Mr. President; all functions?

THE PRESIDENT: Yes, all functions. Except, of course, as to gold. That is a different thing. I am keeping my finger on gold.

Q All Monday -- all on Monday?

THE PRESIDENT: Yes.

Q No restrictions on deposits of any kind?

THE PRESIDENT: No.

Q And on withdrawals outside of gold?

THE PRESIDENT: Gold and hoarding.

Q That begins Monday?

THE PRESIDENT: Monday, Tuesday, Wednesday, Thursday, Friday, Saturday --

Q As fast as they can go?

THE PRESIDENT: Yes. Then the other category of banks are those state banks which are not members of the Federal Reserve System. In that case, I think the easiest way to put it as to that is that the Treasurer will in effect take the recommendations of the State Superintendents of Insurance, each of whom has the information about each individual bank within his system, and, where certified by the State Superintendent of Banks, they will have authority to open up just like the member banks open up, and the two things go right hand in hand. Does that cover it Steve --- Mac?

MR. McINTYRE: Steve's not here. I think it is very clearly put.

THE PRESIDENT: Now, that is the easiest way to describe it. This is entirely off the record, of course -- just for your own information. My thought in putting it that way is that it is in the language of the man on the street, of the average depositors, whereas these Treasury orders cannot be understood by the average person, including myself, without a lot of instruction.

MR. McINTYRE: You expect the various state superintendents to follow the same line of procedure?

THE PRESIDENT: The state superintendents are expected to follow the same line of procedure and the same standards of solvency that the Treasury officials will themselves follow.

Q The Federal regulations do not make clear whether any banks will be opened on a 90 or 80 per cent basis. Will they have to be on a basis to permit 100% withdrawals?

THE PRESIDENT: I can't answer that question.

Q They will be permitted to open completely if allowed to open?

THE PRESIDENT: The banks that are immediately opened will

be opened fully. I frankly don't know whether the Treasury has given out any regulations or announcements about what I call the conservator banks. I don't think they have.

Q No.

THE PRESIDENT: Then there is one other thing, which I think ought to be made clear in fairness to the public, and that is that necessarily it takes a certain amount of time to cover the entire field of the 100% solvent banks, either national or state, and if the individual bank or depositary doesn't happen to open on the first day, it does not mean at all that it won't open the next day or the day after, and the obvious reason for that is that there are a good many banks, both state and national, that haven't had a very recent examination, and in those cases there has got to be some kind of examination before permission can be given to open. It does not mean that they are not 100% solvent and therefore there is no reason to get the least bit excited if the individual's particular bank isn't among the first to open its doors.

Q That is one great fear, that the banks which do not open the first day or the second are going to be out of the picture in the future.

THE PRESIDENT: Not by any means or necessity.

Q I mean in the public's mind.

THE PRESIDENT: Yes, I understand.

Q As a result of this you are quite optimistic over the outlook?

THE PRESIDENT: Oh, yes; excellent outlook. Now there is, right along that same question of the opening of banks -- and this is also entirely off the record -- I am using it as an illustration -- banks in a section where there is a clearing house, we have got there three forms of check-up -- the Federal Reserve check-up, the State check-up and the clearing house check-up and in a clearing house district like Philadelphia, New York, Chicago or San Francisco, the latest information is available. Therefore you can take action on them right away. On the other hand, if you get to a place where there isn't any clearing house and find banks which haven't been checked up in the last number of weeks or even six months, you have to send people there. Yet they may be just as solvent as banks where there is a clearing house.

Q Why not keep that as "back-ground"? I think that would help out, if you let us use that rather than have it "off the record".

THE PRESIDENT: Make it "background".

Q There have been reports of a scramble of banks -- they have been rushing to apply for membership in the Federal Reserve System since word got around yesterday about the enactment of this legislation. Has that been reported to you?

THE PRESIDENT: That may be. I haven't heard.

Q Referring back to the question Mr. Tucker asked you. For example, as to Cleveland banks which are on a (inaudible) basis. Did I understand your reply to Mr. Tucker's question to mean that when the time comes for reopening, you are not going to open a local or state institution which was limited but when they do reopen they are going to reopen fully, or is that something yet to be worked out.

THE PRESIDENT: I think that is something yet to be worked out.

Q Probably --

THE PRESIDENT: Probably -- Of course it is not the Cleveland bank you are talking about. That would be open under the first rule -- opening for necessities, payrolls and household expenses.

Q After all, isn't it up to the bankers if they want to limit withdrawals and put it on a percentage basis, they can do it?

Q Some states require them to do it.

Q What does this do to the various state holidays?

THE PRESIDENT: I don't know.

Q Maybe those banks would not come under the Class A banks.

Q I assumed this would be a sort of curtain raiser to the whole thing.

Q That brings another question ---

THE PRESIDENT: Just a minute. This is background stuff. I should say, offhand, from the talks I have had with various governors, that a good many of them may lift their proclamations and restrictions as we gradually lift our federal restrictions. I thought that would be the logical way to go about it.

Q Oh, that is not what I was going to ask. Of course a state bank could go to a member bank and get money, but there has been quite a bit of fear that there may not be such easy access and there has been talk of possible regulation or amendment making it mandatory that there will be no ---

(interruption - discussion between The President and Mr. McIntyre)

Q -- now Mr. Glass took that --

THE PRESIDENT: Mac says that as the member banks open up their correspondent banks would be able to get their funds in the normal way, --

Q Yes, of course; ordinarily --

THE PRESIDENT: --And almost every country bank is a correspondent bank of some member bank. Oh, I am learning a lot about banking -- (laughter)

Q So are we. (laughter)

Q Mr. President, this matter of opening the banks beginning Monday, that was from the Proclamation by you?

THE PRESIDENT: No. The Executive Order has been signed.

Q. The Executive Order you put out today?

THE PRESIDENT: Yes.

Q The other proclamation still --

THE PRESIDENT: This is again background stuff. The general theory of last night's proclamation was not borne out by most of the headlines I saw. That was not the fault of the stories. It was a general proclamation covering the continued closing of all banks, but the real story was in the exceptions they are going to make. In other words, the lifting of the ban on banking will be done by exceptions to the general proclamation. That is in order to retain control, not permanently, but perhaps for some time, over things like hoarding and gold shipments --

Q Off the record?

THE PRESIDENT: Background. And each day by this process

we will gradually open up more and more banking facilities in various parts of the country.

Q That will prevent the unsound banks from opening?

THE PRESIDENT: Yes.

Q How many are there? Have you any idea?

THE PRESIDENT: No.

Q Doesn't this entire conference fall into the category of background?

THE PRESIDENT: Yes.

Q Is it your interpretation of today's executive order that it permits under the regulations of the Secretary of the Treasury certain gold settlements of international --

THE PRESIDENT: I can't answer your question because I will be perfectly frank in telling you that confidentially and off the record I haven't talked about the gold question at all.

Q Is there a possibility that any bank will be open for full business tomorrow morning?

THE PRESIDENT: That I don't know. You will have to ask the Secretary of the Treasury. Of course they will be open for the necessities. Fully open, I don't know.

Q Mr. President, several editors are asking whether the

announcement will be made of the permits issued to the several banks. Will that be made here, in the Treasury Department or at the regional Federal Reserve Bank?

THE PRESIDENT: I haven't the slightest idea.

Q I thought that executive order is to apply through the Federal Reserve banks.

Q Mr. President, after a state group of banking authorities decides that a bank is sound and may be opened, will they still have to apply to the Secretary of the Treasury and obtain a license to operate, or will the state officials be given the right --

THE PRESIDENT: Theoretically, yes; but practically no, off the record. In other words, in theory the Secretary of the Treasury is requiring, under the law, his own approval but in practice he is taking the word of the state superintendent of banks and relying on his good faith.

Q You said at one point in the opening of your discussion that the banks will be open on Monday. Is that a definite statement.

THE PRESIDENT: No; that is entirely a hope. The Secretary of the Treasury is very anxious that we should not put in any official statement a definite date or definite hour.

Q Say beginning early next week--?

THE PRESIDENT: I think you may say, in all probability on Monday.

Q The process starting with the opening of the Federal Reserve banks?

Q The first banks that will be opened Monday will be those carrying on their business without any restrictions whatever for full business dealings?

THE PRESIDENT: Yes.

Q If they have the license?

THE PRESIDENT: If they have the license, yes. With the exception of gold and hoarding.

Q It precludes state banks from opening tomorrow provided they have met with the necessary qualifications which have been imposed by the state banking superintendents.

THE PRESIDENT: I don't know if they will be ready tomorrow morning. I couldn't answer the question on that. Of course Mac reminded me that the Secretary of the Treasury said that all of those plans are subject to modification during the next twenty-four hours and the following twenty-four hours. We will keep you in touch as best we can.

Q Mr. President, how did you like your first week in the White House?

THE PRESIDENT: Off the record, I haven't had enough sleep, otherwise fine. (Laughter)

MR. STEPHENSON: On the record, I haven't had enough, either. (Laughter)

THE PRESIDENT: Also off the record, the only thing I haven't really done at all is to hang pictures.

Q You have a lot of them.

THE PRESIDENT: The currency, I understand, is going out in very good shape. As the Secretary of the Treasury said, we are shipping it out by the bale.

Q Is this all background?

Q The first part was direct news under the classification -- none of it is quoted.

Q It is all usable.

THE PRESIDENT: Yes.

Q Will you say what your next message is?

THE PRESIDENT: I am not ready yet.

Q Will you promise there will be no White House conference tonight?

THE PRESIDENT: Yes; all go to bed.

Q Secretary Hull and Mr. Davis coming this afternoon?

THE PRESIDENT: Yes.

Q When do you hope to send Davis to Europe?

THE PRESIDENT: I don't know. I haven't talked to anybody about it.

(Personal discussion, off the record)

The conference adjourned at 4:45 P.M.

CONFIDENTIAL
Press Conference #3
At the Executive Offices of the White House,
March 15, 1933 - 10.25 AM

THE PRESIDENT: Sorry to keep you waiting, but the Secretary of the Treasury was over, as usual, this morning.

Q You are kept busy.

THE PRESIDENT: The Japanese Admiral is coming to see me this morning. Steve will tell you all about him.

Q Are we going to have a war? (Laughter)

THE PRESIDENT: I haven't any real news, but suppose you would like tohave me talk a little bit about the two other measures. Entirely just for background, the general thought has been this: That if we can get through the three measures -- banking economics, the economy bill and the beer bill -- those are all perfectly obvious and speak for themselves -- but we won't have done anything on the constructive side unless you consider the beer bill partially constructive.

There are two other matters that I would very much like to get started while the Congress is here -- both of them constructive. The first is a definite effort to put people to work. And the way I would put it is

this: Like all very big projects, it is in a sense experimental, therefore we don't want to launch it on too big a scale until we know how practical it is. Probably I will send up a message. I can't tell you the exact date, but tomorrow if everything goes well.

The idea is to put people to work in the national forests and on other government and state properties on work which would not otherwise be done; in other words, work that does not conflict with existing so-called public works. I cannot give you the details of it. All I can tell you is that I am working with the Director of the Budget now to see if we cannot keep the appropriation for it -- for new money -- down as low as we possibly can. We think we can pay for a large part of it out of unexpended balances -- money heretofore appropriated for other purposes, which would be a very distinct help to the Treasury.

Then the other measure is not only a constructive measure but if it does not go through at this time, as well it might ~~still~~ wait until next Winter. That is the effort to increase the value of farm products. The reason for haste on that is perfectly obvious, for if we defer consideration of it until April we probably

would not get through until May or the end of April any way, and a large part of the crops would already be in the ground. If we are going to have it apply to this year's crops, it ought to be put through immediately. Again I cannot tell you the details of it because they are still working on it.

Q Does that include the principal crops?

THE PRESIDENT: I think, entirely off the record, it will be somewhat along the lines of leasing and certain features of the Smith cotton bill.

Q Leasing? You mean taking marginal land out of the production column?

THE PRESIDENT: Yes, for the reduction of acreage.

Q Would it apply to all crops, Mr. President?

THE PRESIDENT: I can't tell you that because I cannot remember all the names in it, but there are an awful lot of them.

Q Most of them?

THE PRESIDENT: Almost everything.

Q Have they given up the idea of a bond issue on unemployment?

THE PRESIDENT: I can't tell you intelligently because we haven't our figures yet on how much we can expect from unexpended balances.

Q Do you retain any of the principles of the domestic allotment plan?

THE PRESIDENT: Some of the features but not the principles.

Q How are the funds going to be raised?

THE PRESIDENT: There again I can't give you any details. I guess through some form of excise tax.

Q Anything --- In plans for putting people to work, does that include a vast public works program?

THE PRESIDENT: I knew you were going to ask me that question and I am not ready to answer it yet, for this reason: This is entirely off the record. There are quite a lot of other people who would like to see the bill made an all-inclusive bill; in other words, after a big public works program, after the Wagner Bill that failed in the last Session, or a modification of it along the La Follette-Costigan lines. I don't know yet whether the bill would be made all inclusive or whether it would be confined principally to this main thought of putting people to work on natural resources.

Q Isn't it the program of the Administration to put through that Wagner Bill for unemployment relief?

THE PRESIDENT: There is enough money in the R.F.C. on direct aid for municipalities to last until May, therefore it is a grave question as to whether that is the kind of emer-

gency that ought to keep the Congress here.

Q How about Muscle Shoals, Mr. President? Would that be included in this plan, or will it be left until later on?

THE PRESIDENT: I don't know. We are in the middle of a survey now as to where to put the men to work first.

Q How many men would be used on the forestry plan?

THE PRESIDENT: On the National forests, the Forestry Bureau says two hundred thousand men.

Q What do you mean by the National forests? What are the National forests?

THE PRESIDENT: You know a lot more about that than I do. There is the Shenandoah Forest, the Big Smoky; there is quite a lot of Federal land in Pennsylvania, some in New Hampshire and, of course, there is a very large acreage out west.

Q What do they do, cut down trees or plant trees?

THE PRESIDENT: You are as bad as Mr. Hyde. (Laughter) We have to have another class here on it. The easiest way to explain it is this: Taking it all through the East where, of course, the unemployment is relatively the worst with far more people, nearly all of the so-called forest land owned by the Government is second,

third or fourth growth land -- what we call scrub growth which has grown up on it. What does that consist of? Probably an average of four or five thousand trees to the acre; little bits of trees, saplings and so forth. Proper forestation is not possible; in other words, you will never get a marketable timber growth on that kind of land -- plenty of cordwood and that is about all.

But the timber supply, the lumber supply of the country, at the present rate of cutting we are using lumber somewhere around three to four times the rate of the annual growth. In other words, we are rapidly coming to an end of the natural lumber resources and the end is within sight and, unless something is done about it, we will become a very large lumber importing nation, the figures showing that it will be from 20 to 40 years when that will come about.

Now, take this second, third, fourth growth land. Put men in there. Say there are five thousand of these saplings to the acre. Go in and cut out four thousand and leave one thousand. They go in there and take out the crooked trees, the dead trees, the bushes and stuff like that that has no value as lumber, and leave approximately one thousand trees to the acre. That means that

they are sufficiently spaced to get plenty of light and air and there is not too much of a strain on the soil. Those trees then eventually will become a very valuable lumber crop.

That is the simplest way of explaining the operations so far as the trees themselves go.

Then, in addition to that, one of our great difficulties all over the country is with fire, and these men will be put to work in building fire breaks. Well, a fire break is merely an operation of cutting a thirty or forty foot swath through the forest and plowing it up, raking all the leaves and everything possible away from that strip and keeping it clear. Thus, from that time on, the regular forest rangers and fire protection people, in their tours, will have a great deal better chance of limiting any fire that breaks out, limiting it to a small area.

Q How long will that work keep these 200,000 men occupied? Is it a long process?

THE PRESIDENT: I think Bob Wagner got the letter on that from the Forestry Bureau about six weeks or two months ago. It is certainly over a year and probably over a good deal longer than that.

Q Do you have in minddputting 200,000 men on the Federal payroll a year? It would mean a tremendous amount of money.

THE PRESIDENT: You will have to wait until you see the bill.

Q Is it planned to have camps and housing people and the Government to feed them and house them for a dollar a day or something like that?

THE PRESIDENT: I can't go into that.

Q Even at a dollar a day for a year that is enormous. I haven't figured it, but I can see it will run into many millions of dollars. I figured where you would need a half a billion or one billion and spend it on this one item.

THE PRESIDENT: Just for background, speaking on that by way of explanation, these people would be people who are today on the dole. They are performing no useful work. Those are the only people we would take -- people performing absolutely no work at all and just being barely supported by communities and states.

Q Then you could have the states share in the burden of the expenditures, couldn't you?

THE PRESIDENT: It is as short as it is long. What is the difference between the Government doing that directly

or turning money over to the states?

Q How soon do you think you can get them to work?

THE PRESIDENT: Three or four weeks -- that is, start getting them to work.

Q About 75% of the national forests are in the far West. That would involve a movement from the centers of population for the men to be put to work in those forests. Is that contemplated?

THE PRESIDENT: Haven't got to that yet. Can't tell you.

Q They have walked further than that already.

Q Do you want tho se bills to go through before the recess?

THE PRESIDENT: Yes.

Q They will probably take a week?

THE PRESIDENT: Yes.

Q Any other kind of public works or some other kind of public work that might be done by these men on roads or something like that?

THE PRESIDENT: I will only go as far as forestry in the beginning and not mix it up with any other things.

Q Any plan for a bond issue to be secured by the forests themselves or anything of that sort?

THE PRESIDENT: No.

Q Will this farm bill precede the unemployment bill?

THE PRESIDENT: I don't know; I haven't got to that yet or the time of sending the message up. Then, of course, there is another element in what Ernest Lindley asked about paying these people. It will help to relieve their own familiew. If a family man is taken, he will ppobably send a large part of it back home and that relieves the community too.

Q His wife won't have to support him while he is in the camp.

Q Mr. President, are you able to announce the Ambassador to Germany yet?

THE PRESIDENT: No.

Q Could you tell us what you talked to Mr. Bullitt about?

THE PRESIDENT: I haven't talked to him. He is going to talk to me in about five minutes.

Q You said that some of the features but not the principles of the allotment plan will be in the farm program. Does that mean that the allotment plan picture is abandoned?

THE PRESIDENT: I should say, by way of background, yes.

Q Can you tell us anything about Mr. Norman Davis?

THE PRESIDENT: Just going on with his work, that is all.

He is going to leave the end of this week.

Q What about arms embargo?

THE PRESIDENT: I think that is sufficiently explained.

I am going to ask for it; when, I don't know.

Q I understand that some of the features of this farm credit bill will be presented to the international economic conference to make it international, putting this country on the same basis.

THE PRESIDENT: No, I think the only thing on that is this: There are certain crops like wheat where the world surplus is comparatively small. It is only from 10 to 15 per cent. Therefore, if the wheat producing nations can reduce pro rata to that extent, it will help very much to solve the worl d price of wheat -- raise the world price of wheat as well as raising our own price of wheat and, of course, obviously if we can raise the world wheat price to a proper level, th e need for continuing with an acreage reducing plan in this country would not be as great. You would not have to keep on reducing -- you would just have to hold the gain you made.

Now, the wheat producing nations besides ourselves -- the surplus producing nations are Canada, Australia,

Argentina, Russi/a and the Balkans.

I think you can say -- I shall say this entirely off the record -- but Russia is today probably, so far as we know, not in a position to do very much wheat exporting. They need their own wheat.

The last wheat conference in 1929 -- somewhere along that, 1928 or 1929 -- failed largely because we, the United States, would not go along with any effort to reduce our own surplus production. Yet today we will take the first step looking towards world surplus reduction. And if Canada, Australia, Argentina and the Balkans go along with that, we have got the possibility of an international agreement to cut the world wheat surplus and in that way it forms the basis for at least a possible practical step in world economics.

Q It will be brought out at this economic conference, won't it, or at some further conference?

THE PRESIDENT: It is on the agenda or it might be brought up ahead of it to get it out of the way.

Q Has it been taken up diplomatically already?

THE PRESIDENT: I should say it has been taken up wholly unofficially so far. Right, Steve?

MR. EARLY: Right, sir.

Q Can we use this?

THE PRESIDENT: For background it is all right.

Q Is it permanent legislation?

THE PRESIDENT: No. Obviously a farm bill is in the nature of an experiment. We all recognize that. My position toward farm legislation is that we ought to try to do something to increase the value of farm products and if the darn thing doesn't work, we can say so quite frankly, but at least try it.

Q Aren't there other crops where the same sort of an agreement could be reached.

THE PRESIDENT: Yes, very distinctly.

Q Have those --

THE PRESIDENT: Haven't been explored yet.

Q Is Russia to attend the World Economic Parley?

THE PRESIDENT: I don't know.

Q What I was wondering about is this: If all the nations agreed on production, wouldn't it be essential for Russia to come in?

THE PRESIDENT: Frankly, I don't know. Does anybody know whether Russia signed up on the World Economic Conference?

Q Yes, sir; they have.

Q Does this farm bill contain features of the Smith Cotton Bill?

THE PRESIDENT: In relation to cotton, yes.

Q Inasmuch as it also pertains to fe atures of the acreage allotment plan, would you call it a composite of those three plans -- acreage, leasing and Smith Cotton Bill?

THE PRESIDENT: No, I would not call it a composite of them. We haven't got the bill finally draftedyet, but the theory is that on the actual practice and use of methods it allows a pretty wide latitude to the administration to vary the methods. In other words, it does not say that we have got to apply a hard and fast method to all crops. The application will probably vary in accordance with different crops.

Q A choice between three alternatives?

THE PRESIDENT: Noo It isn't that. The leasing principle is the basic principle.

Q Have international gold payments been resumed?

THE PRESIDENT: No.

Q Do you want to say anything about the bank situation, Mr. President? It seems to be working very well.

THE PRESIDENT: Except, off the record, that there is one fellow responsible for its working so well and that is Bill Woodin. He has done a perfectly grand job and has been up day and night, literally. It is really wonderful the way Bill came down here and took hold af a thing he had never had any experience at before and I think what he has done would be a credit to anybody.

Q He certainly has but we would like you to tell us more about it one of these days.

Q How much money is involved in these bills?

THE PRESIDENT: I don't know. By the way, what time did they (Congress) adjourn last night?

Q Ten twenty.

Q Have you had any report from the Justice Department on how many men they would catch in this --

THE PRESIDENT: No. (Laughter)

Q Will you tell us why the allotment plan was abandoned?

THE PRESIDENT: I think -- background -- that the chief reason is that the farm organizations as a whole thought the other method was more workable and a better plan to base our e xperiment on.

Q You made it plain that this is an experiment. Do you mean to say that it is not intended to be permanent? Do you

mean that conditions will improve and you will have permanent legislation after that?

THE PRESIDENT: It is too speculative for that.

MR. STORM: Thank That you, Mr. President.

(Ended 10.48 A.M.)

CONFIDENTIAL
Press Conference #4
Executive Offices of the White House

March 17, 1933, 4.05 P.M.

Q Mr. President, there has been considerable curiosity and speculation over the visit here yesterday of the German and French and British Ambassadors.

THE PRESIDENT: All I can tell you is to tell you the truth, of what Steve told you -- that the thing was a coincidence entirely. The British Ambassador asked to see me to tell me merely that the Prime Minister was going to have a plan that he hoped we would give favorable consideration to. The plan has not come and I have not seen the plan yet. It was coming in at the State Department about two hours ago but had not been written out yet.

Then I happened to mention to Robbins yesterday morning that I would be very glad to see the German and French Ambassadors before they left and he arranged to have them come in right away. As a matter of fact, I had not thought that I would see them for two or three days so it really was a coincidence. It made a good story. (Laughter)

Q Do you expect to see Phil La Follette?

THE PRESIDENT: Has he come back.

Q You did not know it?

THE PRESIDENT: I did not know it.

Q Did you discuss the Disarmament situation?

THE PRESIDENT: Oh, yes.

Q What did you say about it?

THE PRESIDENT: Steve, really -- (Laughter)

Q There is a British Treasury official of high consequence arriving today on the same boat with La Follette. Does that have anything to do with conversation about debts?

THE PRESIDENT: Who is it?

Q Alverson, or something like that.

Q Sir Percy Thompson.

THE PRESIDENT: Who is he?

Q An Under Secretary -- he is Comptroller of the British Treasury.

THE PRESIDENT: I am learning a lot from the Press.

Q And there are a couple of Frenchmen and one German who are said to be financial advisors of the League of Nations, and they are said to be in Washington.

THE PRESIDENT: Is that so? (Laughter)

Q Mr. President, can you tell us or give us an idea of what the attitude of the new Administration is on Disarmament?

THE PRESIDENT: I do not believe that I had better talk on Disarmament today because -- and this is off the record -- we do feel that is one of the principal keys to the world situation and things are changing so fast that the only thing I can do or say in answer to that question -- off the record -- is that we are going to use every possible means to make some kind of a very, very definite and practical success of this Disarmament conference, and use every means we can to prevent it from either blowing up or arriving at some patch-work thing.

Q Couldn't you make that "background", Mr. President?

THE PRESIDENT: Yes, use it for background, that is all right. I cannot go into details, however, because things are changing so fast every twenty-four hours.

Q Do you expect to pass judgment in any form whatsoever on the MacDonald proposals?

THE PRESIDENT: I have not read them yet; we have not got them yet. At one o'clock the Secretary of State told us that they were coming in but had not been written out.

Q Is Mr. Davis likely to go back to use his good offices?

THE PRESIDENT: Off the record, before he goes we will have something on that, but I cannot say anything on it because I am not certain as to what form it will take. It may be in the form of a statement from the State Department.

Q I will change the subject: Are you going to keep Congress in session without a recess and go straight ahead?

THE PRESIDENT: I can tell you about that for background, Steve. Here is the real situation: We have been talking about it for the last three or four days. There were two alternatives: The first, which was the original plan on the fourth of March or, rather, on the fifth of March, when I called the special session, was that they should merely take up four or five matters of very great emergency and then adjourn for perhaps a month and then come back somewhere around the middle or end of April to take up the other important matters that ought not to wait until next January. The idea was that during the month I would have time to study things a little more than I have had a chance to so far, and prepare a definite line of policy and definite legislation.

About three days ago I began taking that question

up with the members of the Congress and members of the Senate and there was a rather distinct feeling on their part, with which I went along, that, now that they are here, if the Administration can anticipate this legislation and the definite lines of policy and get them in a good deal more quickly, that the Congress would prefer to stay right on and see if they can get the legislation through by the end of April or the early part of May and then adjourn, having completed the work, and not come back until the following January, unless, of course, something turns up in the meantime.

It seems pretty clear that the majority preference in Congress is the latter method.

Q It will probably go that way?

THE PRESIDENT: So it will probably go that way. Now the result, of course, will be that I have got to work twice as hard as I had planned to work in order to get these various measures ready so that they may follow one after the other to get things in shape.

Q What is the next, in a tentative way?

THE PRESIDENT: I have not listed the various things but I can give you some examples: For example, railroad legislation.

Q What on that?

THE PRESIDENT: I cannot go into details. I can merely give you the headings and not all the headings at that -- just things that occur to me offhand. There is railroad legislation, legislation against speculation, certain portions of banking legislation, and a larger relief program -- in other words, a relief program that will carry through until next January.

Q That will mean direct disbursements of Federal funds?

THE PRESIDENT: It means, undoubtedly, more funds. There are a good many localities in this country that are up against it and which, like Chicago, have used up the 15 per cent which they are allowed under the present law.

Q That would also include Public Works, would it not?

THE PRESIDENT: Yes, it would probably include Public Works.

Q Would it be along the lines of Senator Wagner's proposal?

THE PRESIDENT: We have not got to that yet. Then there will perhaps be three or four other things.

Q What about taxes?

THE PRESIDENT: That would be necessary to carry through until next January.

Q How about a Naval program?

THE PRESIDENT: I do not know. These are just things that occur to me. I have not considered the Naval thing -- it is something that I have not thought of at all. There are three or four other things, but what they are I do not know.

Q Do you expect, by saving money on the economy plan and by tax on beer and the gasoline tax, to get along without any real increase in taxes?

THE PRESIDENT: I think I can say, as background, that we all hope so but that I cannot tell.

Q We have got to wait and see?

THE PRESIDENT: The question of the need for new taxes and the estimate of probable revenues from existing taxes is altogether premature. We cannot tell. We have only had things up and going for a couple of days.

Q It depends on what you can do under your economy bill, does it not, Mr. President?

THE PRESIDENT: That is another factor. I would not hazard any estimate of budget receipts or anything like that.

Q Will there be individual messages on all these matters for which you gave us headings a minute ago?

THE PRESIDENT: I do not know.

Q How about Muscle Shoals?

THE PRESIDENT: I do not know.

Q How about St. Lawrence and the World Court?

THE PRESIDENT: Lord, man, we have not talked about those yet, we are too busy.

Q Are there any other headings you can think of?

THE PRESIDENT: Not offhand.

Q Can you define that speculation a little bit as between grain and stock?

THE PRESIDENT: Read the Democratic platform.

Q How about the Glass Banking Bill?

THE PRESIDENT: That again, I do not know.

Q How about the Bankruptcy Bill?

THE PRESIDENT: We have not considered it.

Q I wondered whether the Congress would extend that bill?

THE PRESIDENT: We have not talked about it at all.

Q Do you contemplate making an Administrator of Relief and taking the relief work out of the RFC?

THE PRESIDENT: That is a secret. Wait until next Monday or Tuesday.

Q On the Reorganization Bill, are you prepared to take a step for the consolidation of the various departments?

THE PRESIDENT: I couldn't tell you on that.

Q What orders are you preparing?

THE PRESIDENT: I think the Director of the Budget is preparing orders now on the veterans and on civil service in that bill.

Q Can you give us a hint on how far you are going on that?

THE PRESIDENT: No.

Q As the Mayor of the City of Washington, are you going to recommend anything in connection with the District of Columbia Beer Bill?(Laughter). It is quite important.

THE PRESIDENT: That is a new title; I had not thought about that.

Q On this general relief -- do you expect to have funds --

THE PRESIDENT: Frankly, I do not know. I have not talked to the RFC about it. The RFC have probably got enough money to last until some time around the end of May, but whether they can go through situations like the Chicago situation without emergency legislation, I do not know as yet.

Q Is it fair to assume that you will not ask for a 500 million dollar bond issue?

THE PRESIDENT: You can assume that.

Q Do you include the arms embargo matter among the matters of special legislation?

THE PRESIDENT: All I can tell you, and this is off the record, that the probability is that there will not be any message to Congress but probably the Foreign Relations Committee will bring in a bill to give me authority over arms embargo. In other words, it will not originate at this end -- it will originate from the Congress itself.

Q You spoke of banking legislation. Do you plan to take several bites on that problem?

THE PRESIDENT: Yes. In other words, I do not want to give you the impression that we are going to rewrite all the banking laws of the United States and set up a new, complete Federal banking system between now and the first of May.

Q What are you going to do, strengthen the weak points?

THE PRESIDENT: Strengthen the weak points and eliminate certain things.

Q Things that had shown in the last year - -

THE PRESIDENT: Things that have shown up, to prevent a recurrence of the bad practices of the immediate past.

Q Does it provide for control over the Stock Exchange?

THE PRESIDENT: I don't know.

Q Is the unified system --

THE PRESIDENT: I don't know. Mind you, I have only been studying banking for about ten days.

Q Could you give us a little background on reorganization, and how much you intend to do on the general reorganization of the Government?

THE PRESIDENT: I am not ready on that because, as I said before, Lewis Douglas and I have been busy on this economy bill and Douglas has spent a good deal of time up in Congress. We have not got to it at all.

Q Is there anything you can tell us on Russian recognition?

THE PRESIDENT: No.

Q Where is your green neck-tie?

THE PRESIDENT: I haven't got one. It wore out. (Laughter)

Q Will this relief program -- this relief message the first of the week provide for a large program?

THE PRESIDENT: It is just a preliminary program.

Q Is there any desire for speed in connection with the arms embargo?

THE PRESIDENT: I don't think so.

MR. YOUNG: Much obliged, thank you.

CONFIDENTIAL
Press Conference #5
White House Executive Offices

March 22, 1933, 10.18 A.M.

THE PRESIDENT: I think, if you want to make a good guess on the next thing to go up to the Hill, while I cannot give you an exact date yet, it looks as if it will be the next one ready and that is the Farm Credit message and the Farm Credit Bill.

Q Message and bill both?

THE PRESIDENT: Message and bill both.

Q What form will that take?

THE PRESIDENT: And probably about the same time or right after it there will be similar legislation for the small home owners because the legislation for home owners' mortgages will be changed along the same general principles as relief for farm mortgages. We have not yet decided whether it will be approximately the same machinery or whether there will be two sets of machinery. We have not got to that detail as yet.

Q Is there going to be a reduction in interest in that?

THE PRESIDENT: Yes.

Q Have you decided the amount of the reduction?

THE PRESIDENT: No. I cannot give you any more details of it because it will spoil the story, except to say that

there are two main purposes. The first is to tie in to one or two central bodies the eight U. S. Farm Credit agencies that we now have and in that process we will be able to put the Farm Loan Banks on a sounder basis and probably clean up the mess that exists in the Joint Stock Loan Bank. And then the second feature will be the refinancing of farm mortgages at a lower rate of interest.

Q Longer terms?

THE PRESIDENT: Yes, longer terms.

Q That includes the mortgages on homes too, does it not?

THE PRESIDENT: Yes, the same principle.

Q Has a time been agreed upon as suitable for the amortization of farm loans and home loans?

THE PRESIDENT: What is that?

Q A time limit in which a farm loan can be amortized. I heard some proposal of 30 or 40 years on farms and 15 years on homes?

THE PRESIDENT: I don't know; I have no idea.

Q How soon do you expect this message to be ready, Mr. President?

THE PRESIDENT: It is hard to set any definite time.

Probably I will have the first draft by Friday. It depends on how much we have to edit it before it goes up, but I should say it will probably be ready around the beginning of the week.

Q Will this include mortgages held by mortgage companies and land banks?

THE PRESIDENT: No; it would include mortgages held by other mortgagees, banks, savings banks and insurance companies.

Q How small a home will it be?

THE PRESIDENT: Frankly, I have not taken up the home end of it. This is being worked out by the Farm Credit people. All I can say on the home end of it is that the same principle will apply. I do not know the machinery.

Q Around $8,000, wouldn't it be?

THE PRESIDENT: I don't know.

Q Is there a plan for the Government to take over the mortgages?

THE PRESIDENT: You are going into details.

Q It will require a great, big bond issue, will it not?

THE PRESIDENT: No.

Q Will you indicate whether there has been a scaling down of mortgage face values?

THE PRESIDENT: I think we are going too much into detail on the question of scaling down. We are working on the possibility of using something like the Canadian plan, but we have not got that worked out as yet.

Q Have you abandoned the idea of issuing a disarmament statement at the present time? We rather expected it today?

THE PRESIDENT: All I can tell you is that I have not talked about it since I talked to you last. Nothing has been abandoned.

Q Mr. President, have you had time in your busy days to consider the reorganization plan, now that it is in your hands?

THE PRESIDENT: I am talking to the Director of the Budget on various phases of it every day. That is about as far as we have gotten.

Q You will not get to it until after the emergency?

THE PRESIDENT: No.

Q Do you care to talk again of the insistent rumors being published that the recognition of Soviet Russia is around the corner?

THE PRESIDENT: I think you had better not take cognizance of it at all. We have done absolutely nothing about

it. Off the record, we have been so busy on other things.

Q When do you think you can put in the new pay-cut and reduce the veterans' pension under the Economy Act? How soon do you think you will do that?

THE PRESIDENT: As I remember it, orders have gone out not to take any more people into homes except emergency cases. Frankly I cannot answer the question definitely.

Q They are working on it now?

THE PRESIDENT: They are working on it now, and I imagine some classes will go into effect the first of April.

Off the record, the only thing I have done is to talk to Phil La Follette. He told me about his trip.

Q That is off the record?

THE PRESIDENT: That is off the record; you all know he talked to me (Laughter).

On the veterans thing, the Director of the Budget and the Veterans Administration are going to give a full opportunity to be heard to the various veteran organizations.

Q Will they put their cuts in the first of July rather than the first of April?

THE PRESIDENT: I could not tell you; I will have to ask the Director of the Budget first.

Q Can you give a line on the general legislative situation, and give us any estimate as to when you expect Congress to adjourn?

THE PRESIDENT: No.

Q Mr. President, would it be possible to make this consolidation of Farm Credit agencies subject to executive order? I mean, is legislation necessary for that?

THE PRESIDENT: No, we will have to have legislation. We cannot put through this whole mortgage relief plan without legislation.

Q Mr. President, would you care to comment on the unemployment relief bill and the statement that went up yesterday?

THE PRESIDENT: No, because I might seem to be answering Bill Green. I will tell you, if you will write it in such a way that it does not appear as an answer to Bill Green. You might take it just for background, if you want. In the first place, they all talk about military control and militarization, but that is just utter rubbish. The camps will be run just like those in any big project -- Boulder Dam or anything like that. Obviously, you have to have some form of policing. In

other words, you cannot allow a man in a dormitory to get up in the middle of the night and blow a bugle. (Laughter) You have got to have order -- just perfectly normal order, the same as you would have in any kind of a big job. That is so much for the military end.

Then, on the point of interference with work, there are two things I think which are worth pointing out. This is not competition, because these fellows have no chance to get a job at the present time and 250,000 men, as Arthur Brisbane pointed out this morning in his column, is a mere drop in the bucket. It is just a little step toward the relieving of 12 million people, but it is a practical step.

Then take the other point about competition. To be sure, they are to be paid only a dollar a day but it costs the Government another dollar a day to take care of them and, in the area in which most of these people will work and in which the work would be done, a $2 a day wage for that type of work would probably be higher in a great many places than what labor is actually paid, or has been paid. You take down in the State of

Georgia where I know something about outdoor labor, even in 1929. In 1929 their pay was about $1.50 or $1.75 a day with no quarters, no food, no clothing. From that you will see that it is not so much out of line with the existing wage schedule for that type of work in those localities.

Of course, any skilled labor that is brought in from outside the ranks of those boys will be paid the normal rate for labor.

Q Tell us what means you will take to select the men who have the most dependents?

THE PRESIDENT: That is going to be handled by the Department of Labor and they will probably take the most worthy cases.

Also, I was asking Senator La Follette about the amendment that he got in the last session about the youngsters that are pounding the roads all over the country. The figures vary very much as to the total number, but probably those boys would be given a chance to go into those camps.

Q Will you make a preference of married men over single men or is there --

THE PRESIDENT: Not necessarily, no.

Q There is indicated an enrollment for a period of one year. Will a man be able to get away -- out of the service -- if he gets a better job?

THE PRESIDENT: The whole thing is put in regulations to be issued by the President. The only object of specifying the period is to keep people from dropping out on Monday and coming back on Thursday. In other words, we do not want people wandering in and out -- working one day and not working the next day. In the actual working out of the regulations, if anybody wants to go home because they have got a job or because the wife is sick, they will be given permission to leave. In other words, it will be run on a common sense basis. The purpose of the word "year" in the bill was merely to state some period of time so that there would be continuous employment. It could be made six months or three months or any other period.

Q Don't you want to take that common sense basis out of the category of background?

THE PRESIDENT: That is all right, you can use it.

Q Mr. President, are we going to get beer today?

THE PRESIDENT: Yes, sir; I have had Steve arrange for it in the Cabinet Room (Laughter). The only thing I

said was "no conversation -- just action".

Q How about a Presidential proclamation to make April 7 a National holiday? (Laughter)

THE PRESIDENT: That won't go so well down in Alabama.

Q Mr. President, what will be the status or will you inquire from the Attorney General about those men in the Federal prisons?

THE PRESIDENT: I sent a chit over to the Attorney General late last night to ask him what he thought about it.

Q You sent what over, Mr. President (Laughter)?

THE PRESIDENT: I am using the chit system which I invented in the Navy Department. They are these little slips -- I use them. If I want to inquire about something from the Secretary of War or any one of the Cabinet officers I just send one of these things over written in longhand.

Q Have you got it in mind to release those men?

THE PRESIDENT: No, I read about it in the paper and just asked him to let me know about it.

Q If you would keep a carbon of those chits and send them out to the Press Room, it might be interesting. (Laughter) Does that refer to all Prohibition cases or just those involved with respect to beer?

THE PRESIDENT: I enclosed the clipping which only mentioned beer.

Q What paper was that from?

THE PRESIDENT: I think it was from the Washington Herald, but I am not certain.

Q How is your railroad program coming along?

THE PRESIDENT: I think probably we ought to get something on that within a week or ten days.

Q Is it in final and definite shape?

THE PRESIDENT: No, they are still in the discussing stage. I don't think anything has been put down on paper as yet.

Q Is Ambassador Davis going to join the Peace Club? The Peace Club is a new invention at Geneva -- Italy, France, Great Britain and Germany are members. Is he going to join that club?

THE PRESIDENT: What are the dues? (Laughter).

Q Well, for us it might be very high. (Laughter)

Q Mr. President, are you taking any part in the plans for the approaching Oil Conference to be held by the Secretary of the Interior with the Governors of the Western States?

THE PRESIDENT: He told me about it. We discussed it. I think it would be more in the nature of a round-table

conference to talk things over.

Q Is it still planned for the Attorney General to go to the Philippines?

THE PRESIDENT: I cannot tell you anything on that yet -- it is premature.

MR. YOUNG: Thank you.

CONFIDENTIAL
Press Conference #6
At the Executive Offices of the White House

March 24, 1933, 4.08 P.M.

THE PRESIDENT: I don't think I have anything I can think of today.

This is just for your information and I suppose you could use it as background. Is this all right to use, Steve?

MR. EARLY: Yes, sir; not for quotation but all right to use as background.

THE PRESIDENT: Not for quotation in any way but just for your information. The question came up about the newspapers accepting and publishing the advertising for beer, right away before the seventh of April. It presented a very nice constitutional point, and the Department of Justice proposes to take a reasonable view of the situation. In other words, that advertising in good faith which is apparent on its face as relating to sales to be made only after April 7 would not be prosecuted. And the Press should be careful to see that there are no violations of the law before the seventh of April. (Laughter) But, if they are honest, anticipatory advertisements dealing with transactions that

would be legal when the time comes, the Department of Justice will not worry very much about them. That is what Homer Cummings has ruled. Moreover, the new law itself authorizes the issuance of preliminary licenses which are not good until the time comes, as well as other preliminary steps of an equally innocent character. This ruling is to the effect that advertisements are comparatively innocent in the same way.

Q Has there been any progress made in working out a plan dealing with municipal indebtedness?

THE PRESIDENT: No.

Q There has been quite a little discussion of it, Mr. President?

THE PRESIDENT: Off the record, we haven't got anywhere on it.

Q Can you tell us something about the status of the Farm Mortgage Bill?

THE PRESIDENT: No, I cannot tell you, although I can tell you what the difficulty is. Now this is just background. As far as we have got now, we haven't the bill down to a low enough interest rate. On the other hand, if we do bring it down to the low interest rate to the mortgagor which we desire, it is going

to make it somewhat difficult to maintain the proposed bonds of the Federal Land Banks at par because the lower the interest, the more tendency there will be to sell the bonds below par, particularly if any of them were thrown on the market. That is the problem which we have not yet solved. I don't know what we are going to do about it.

Q You think you will have the bill by next week?

THE PRESIDENT: Yes.

Q Can you give us anything about the details of the railroad program?

THE PRESIDENT: No, that won't be ready until the end of the week.

Q The House Committee reported out the bill on railroad recapture and holding companies. Do you regard that as part of the program?

THE PRESIDENT: That was approved by the ICC and I told the House Committee that while I had not read the bills, I thought the position of the ICC with respect to the principles of the bill is okay -- as to both bills.

Q Is there any new situation in relation to the foreign debts?

THE PRESIDENT: Nothing at all.

Q Is there any immediate prospect of the removal of limitations on gold exports?

THE PRESIDENT: Not that I know of. You will have to ask the expert who has been working on the gold export problem. I don't know how far he has got.

Q Both the Secretary of War and the Secretary of Navy say they will have to ask you as to whether the Army and the Navy is going to get beer after April 7. Can you tell us your idea on that?

THE PRESIDENT: That is a new one. I would like a little time to think that over.

Q It is not intoxicating. They have expressed their own opinions off the record that they are very favorable (Laughter).

Q Do you expect to issue an order consolidating the Farm Credit organizations?

THE PRESIDENT: Do what?

Q Do you expect to issue an executive order consolidating the Farm Credit bureaus in the Government?

THE PRESIDENT: No, we put that aside until we could get the general Farm Credit Bill finished.

Q Does the general Farm Credit Bill involve the 2 billion dollar bond issue as has been reported?

THE PRESIDENT: No human being can give the faintest idea of how much will be taken up. You cannot call it a 2 billion dollar bill or a 3 billion dollar bill. Nobody knows how many mortgagors will take advantage. Frankly we have not got to that yet, but it won't be anything like 30 billion -- I am quite sure of that.

Q What interest rate are you looking for now?

THE PRESIDENT: I think I had better not tell you as yet. We are trying to get it down.

Q Can you tell us where the money is coming from to finance these bills?

THE PRESIDENT: We are not ready for that. That is part of the question as to whether the farm banks -- the land banks -- would sell these bonds and actually turn over the money to the mortgagees or whether they would turn bonds themselves over to the mortgagees. It might be either or both.

Q Mr. President, at the Press Conference this morning, Secretary Hull said that in his own opinion he saw no reason why this country should not include France in the conversations on the economic conference before any settlement of debts was reached, but he did not know your views on the matter?

THE PRESIDENT: I think I would hold those same views. I see no reason why we should not talk to France on it.

Q How about balancing the budget?

THE PRESIDENT: I worked on it last night until midnight.

Q Suppose you have two billions for this Farm Mortgage and Reforestation?

THE PRESIDENT: That would not have anything to do with the budget.

Q On the Farm Mortgage plan, do you plan to issue Federal Farm Loan Bonds or something of that kind, issued by the Farm Land Bank?

THE PRESIDENT: Yes.

Q What would be the life of those bonds?

THE PRESIDENT: That I do not know.

Q Very long?

THE PRESIDENT: Long-term -- 30 or 40 years.

Q Will you be classing home mortgages in the same class?

THE PRESIDENT: Actually we have not discussed home mortgages because obviously the same principle will apply to home mortgages. In other words, when we get the details and the principles set up for farm mortgages, the same sort of thing would apply to the home

mortgages. On Wednesday I said I did not know whether to include them in the same organization or to set up different organizations.

Q Have you any figures on the number of people who would take advantage of these mortgages?

THE PRESIDENT: It is purely guess work. No human being knows. You will remember when we authorized two weeks ago the issuance of this new currency, people thought that six, seven, eight billion dollars of new currency would be necessary. Actually I think 200 or 300 million dollars has gone out.

Q Are you going to sign the Currency Bill soon?

THE PRESIDENT: I don't know. I have not the faintest idea.

Q Have any organizations asked you to act in any way in connection with the reported persecution of the Jews over in Germany by the Hitler Government?

THE PRESIDENT: I think a good many of those have come in. They were all sent over to the Secretary of State.

Q Is there any indication as when the schedule of reductions in veterans' compensations will be out -- as to how soon?

THE PRESIDENT: They are going to give an opportunity to the veterans to appear and go over them first. I

suppose it will be the first of April, in other words, within a week.

Q How about Government reorganization. Is that likely to come along?

THE PRESIDENT: All I can say is that they are reporting progress.

Q What conclusion did you reach at midnight last night on balancing the budget. Does it look good?

THE PRESIDENT: I cannot give you anything there except really off the record because I am not ready to talk on it yet. But, entirely off the record, we have been checking up on the Treasury income and we are trying to be absolutely hard-boiled about it. We feel -- Lew Douglas and I -- that the previous estimates that the Treasury had made are pretty high. In other words, the income will actually be a great deal less than the last Treasury estimate that was made in February.

Q I have not paid my tax yet.

THE PRESIDENT: And we probably will adopt the attitude of telling the truth and not trying to color the picture at all.

Q The fixed charges on those bonds, those 2 billion dollars of mortgage bonds, are they to be charged against the budget?

THE PRESIDENT: Interest might be charged, but probably there will be very little possibility of it amounting to anything much in the way of an actual charge.

Q We were told that there might be a saving in the Government expenditures of 800 million dollars or more?

THE PRESIDENT: I am not ready to give you anything, even off the record.

Q Is the bill that Mr. Doughton has introduced in the House, calling for a continuation of the gasoline tax, etc., an Administration Bill?

THE PRESIDENT: I don't know about it; I never heard of it.

Q Have you had any reports from the Treasury on the improvement in the Federal Reserve banking position last week?

THE PRESIDENT: No, only what came out yesterday morning with reference to the close of business on Wednesday. That is the only thing I have seen.

Q Mr. President, may I have a little financial instruction? There is a good deal of confusion. The first three moves were obviously of a deflationary character and now it seems as though there is a bill,

like the Agricultural Bill, which would put back into service more employees than had been eliminated. It looks as if this is contradictatory to what was done the first week. Can you tell us how that rule works out?

THE PRESIDENT: I think your premise is wrong. I do not think it will put back into service more employees than are taken out. The operation, as far as the Secretary of Agriculture and I have worked on it, will be done largely through local machinery. We will have to have some key men in, obviously, but it is not going to flood the Federal service with a large number of additional employees. It will not be a repetition --

Q I based that largely on what Senator Norris is supposed to have said.

THE PRESIDENT: I don't think so. We will largely use existing local machinery, such as Farm Bureau Agents.

Q Pursuing that a little further, about the financing: What you have tried to save by the first acts, won't that be more than offset by the bond issues?

THE PRESIDENT: Bond issues do not increase the budget, necessarily.

Q It increases the load that must be carried?

THE PRESIDENT: No, not necessarily. For instance, on these farm bonds, if the thing were to work out 100% it would not increase the load on the Treasury, even though it might run to two or three billion dollars. It is the same way with the Home Loan bonds.

Q It is largely a matter of method, whether these things are included in the budget or set aside as a separate charge?

THE PRESIDENT: Let me give you a concrete example: Suppose the Farm Land Bank takes over a mortgage and gives bonds for that mortgage. There has to be a Government guarantee for the interest on those bonds, but it does not matter when the guarantee would have to be put into effect at all. So long as the interest is paid by the mortgagor to the Federal Land Bank, there is no charge on the U. S. Treasury. In other words it might very possibly, through a failure of the system outlined, create a charge but not by any means of necessity.

Q What about the 500 million dollar loan for direct relief and the money for the Public Works program?

THE PRESIDENT: Whatever is passed away -- 200 or 300 or 500 million dollars for direct relief, that is a

direct charge. There is no question about it. That is a direct charge but we have ~~not~~ rgotz* to keep people from starving and it is done on that basis. It is an emergency measure.

* RL, 9/23/55

Q But the Public Works program could be spread out over fifty years?

THE PRESIDENT: Yes, that is a bond proposition.

Q There is some interpretation placed on the unemployment bill now pending in Congress to the effect that it is broad enough to include work of any other kind than Reforestation as you suggested last week, such as, say River Improvement or Road Improvement. Is there any intention to include other than Reforestation?

THE PRESIDENT: No. It is meant to come within the scope of land use and that does not mean building any roads under the Federal Highway Improvement Plan. It might include roads going up to the middle of the forest; it might include trails, but that has nothing to do with the Road Building Plan of the Government.

Q All over the United States?

THE PRESIDENT: Yes.

Q With reference to the budget: Is it fair to ask whether it will be possible to balance it in any particular year?

THE PRESIDENT: There again you have to go into a long detailed explanation of what you mean. What do you mean, "balance the budget"? Do you mean balance the budget on expenditures or balance the budget in relation to the normal expenditures of the regular Government operation.

Q That is taken care of by bond issues?

THE PRESIDENT: Yes, it depends entirely on how you define the term, "balance the budget." What we are trying to do is to have the expenditures of the Government reduced, or, in other words, to have the normal regular Government operations balanced and not only balanced, but to have some left over to start paying the debt. On the other hand, is it fair to put into that part of the budget expenditures that relate to keeping human beings from starving in this emergency. I should say probably not.

Q That might be taken care of in the bond issue?

THE PRESIDENT: Yes, that might be taken care of in the bond issue. It is very important to differentiate between normal running expenses of the Government and emergencies. For instance, suppose the City of New York was destroyed overnight by an earthquake

and you had a loss of seven million lives and a great many billions of dollars of property. Should the reconstruction of the city and the relief of the relatives of seven million people killed -- should that come out of the ordinary running expenses of the Government? That is an extreme case, but it illustrates the point. You cannot let people starve, but this starvation crisis is not an annually recurring charge.

I think that is the easiest way of illustrating what we are trying to do in regard to balancing the budget. I think we will balance the budget as far as the ordinary running expenses of the Government go.

Q Do you still regard these relief funds as loans to States?

THE PRESIDENT: No. If any State or municipality proves that it has done everything that it could do and is incapable of doing more, then there is an obligation on the part of the Federal Government to give the balance that is necessary to prevent starvation. Now, up to the present time we have regarded that as a loan. There are a great many States that will

have to have aid this coming summer and winter, and we know perfectly well that they will never be able to repay that aid. Why not look the facts in the face and instead of calling it a loan, when we all know it won't be repaid, why not call it a grant, because that is what it is? We should be honest about it.

Q Do you think that is a definite charge against the budget?

THE PRESIDENT: Or against bonds; that would come under bonds.

Q May I put in an "if" question? If, as the wire reports say, a Milwaukee brewery sends you the first two cases of beer, will you accept it?

THE PRESIDENT: That is an "if" question. (Laughter) Off the record, strictly off the record, I will have to ask my wife.

Q We know the answer. (Laughter)

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #7
White House Executive Offices,
March 29th, 1933, 10.28 A.M.

Q What type of organization are you going to set up to mobilize the unemployed on this forestation program?

THE PRESIDENT: I cannot tell you anything definite yet. Probably I will have to have somebody to act as director of the whole works, but that means, of course, that he will have to work through existing Federal agencies. For instance, on the initial enrollment, it will be the Department of Labor plus Army facilities, such as trucks and things like that. Then the actual taking in of the men to camp and maintaining them at camp will be an Army feature and the actual work supervision - the supervision of the work will be either an Interior problem or an Agriculture problem, one or the other.

Q Or both.

THE PRESIDENT: Or both.

Q Will that mean concentration camps?

THE PRESIDENT: Do not use that word. It sounds too much like that which some of us older people remember as used in the Cuban episode of 1907 and 1908. I do not know what you could call them. They are merely way-stations to be used on the way to the camps, at which the boys will be properly treated, outfitted and given a complete medical examination. That is about all.

Q Why not call them cantonments?

THE PRESIDENT: Well, a cantonment has a more permanent sound. I hope that we can keep them there just as short a time as possible. The

Army, in talking in a preliminary way, says two weeks. I think that is much too long. I think we could keep them in camp a maximum of one week, which would be quite enough. It saves money to keep them out on the job as long as we can.

Q How soon do you think we can get them out, Mr. President?

THE PRESIDENT: I should think we can get the first people enrolled within two weeks after the passage of the bill. That means they probably could not get to camp until three weeks. Of course, we cannot start off with 250,000 at one time. That will take quite a while.

Q What is new, Mr. President?

THE PRESIDENT: I have something about the Securities Bill today. I dictated the message just before I left the White House and it has not gone up yet. There are copies out there. The general idea is that it does provide publicity rather than any guaranty to the investing public. What we want to avoid is having the public think that an issue of securities which has been filed, or the facts on which have been filed with the Department, and where a license has been issued, is necessarily a good investment. Of course, that is not so at all.

Well, the simplest example is this: If a company is organized to develop a gold mine and they have got what they and the engineers honestly believe to be a perfectly good speculation and it is not over-capitalized, there is no reason why they should not get a license to operate provided it is said to the public that it is, like most gold mining operations, a speculative venture. Of course,

it must be started in good faith. In other words, what we are trying to do is to get the kind of publicity information as to each issue before the investing public so that, if they then invest, they will know at least that the representations that have been made to them are true.

What I am saying to Congress in the message - I don't suppose you will use any of this before it actually goes to Congress - is that it applies the new doctrine of caveat **vendor** in place of the old doctrine of caveat emptor. In other words, "let the seller beware as well as the buyer." In other words, there is a definite, positive burden on the seller for the first time to tell the truth.

Q You speak of licensing arrangements. Who will govern that?

THE PRESIDENT: You will have to read the bill because it is thirty pages long. I tried to cut it down but found it impossible.

Q Will we have to get it here or up at Congress?

THE PRESIDENT: There is one copy here and two copies there. You will have to wait until they are printed. Steve, see if you cannot get a force, get hold of that bill and try to make a short summary of it.

MR. EARLY: It is 35 pages long.

Q Try to put it in 100 words. (Laughter)

THE PRESIDENT: Can you put it in 100 words, Steve?

MR. EARLY: It is very technical. There is one copy of it here and that has got to go with the message.

THE PRESIDENT: I think there are two up there already. Huston Thompson took two up yesterday.

Q Does this bill complete the program or is there more to come?

THE PRESIDENT: What we are trying to do, among other things, is to carry out the Democratic platform and the big objective is to restore the old idea that a person who uses other people's money is doing so in a fiduciary capacity. That applies whether he is a dealer in new securities or whether he is a dealer in old securities. The same thing applies to commodities. In other words, a person who works in an exchange, either stock or commodity exchange, is acting as the agent for other people so that he is acting in a fiduciary capacity.

This particular message only takes up one phase and that is the issuing of new securities. Then the other phases might be described. You can say that there are three other phases: The first is the regulation or supervision - you had better call it the latter - of the buying and selling of securities and commodities. That we are not ready on. We are working on it and it will probably take another week or ten days. Of course, there are all sorts of complications and I think the Fletcher committee is also working on that phase of it. They may have to do some more looking into the problems and analyzing them from the standpoint of the information they are gathering through the hearings.

Then the third phase would relate to the fiduciary position of directors and officers of corporations and their subsidiaries. That would be just to restore the old -- I was going to say the old Biblical rule, but I don't think they had corporations in

those days, but it amounts to that. The idea is that they are trustees for the stockholders.

The fourth phase primarily relates to banking. That takes up the question of affiliates and the separation of investment buying and selling from banking and separation of commercial banking from trust banking, and it also covers the matter of private banking affairs, bringing them in under the same rule that governs public banks and things of that kind.

Well, we are working on all that and we are not ready yet; it will take another ten days.

Q Is it contemplated, do you know, to force the exchanges to incorporate?

THE PRESIDENT: I don't know. I have not had any conference on that.

Q I notice one of the papers hinted that Samuel Untermyer was commissioned by you to draw up --

THE PRESIDENT: He has been working two or three months but, for that matter, half a dozen people have been doing that.

Q Do you propose to put this whole program before this session of Congress?

THE PRESIDENT: It might take too long on part of it to get it all in. It is a very complicated thing.

Q I wonder if you are in a position to say now what you are going to do about the public building program.

THE PRESIDENT: That will not come up until after the departmental savings are taken up. I will probably have a story for you on that by the end of the week. In other words, the immediate

savings fall, roughly, under three heads: One, the Veterans' Administration, the other the Civil Service and the third the reorganization of Government departments and cutting out of functions. I think probably you will have that some time Saturday or Sunday.

Q Is it too early to say whether or not you contemplate that --

THE PRESIDENT: Then, after we get that done, we will take up Public Works.

Q Mr. President, there is some talk that flood control money may be used in the unexpended balances.

THE PRESIDENT: No; we won't use any of this unemployment money on authorized flood control work.

Q I mean, the unexpended balances in the Treasury may be used in the forest work and taken away from the flood control. I don't suppose you have any such idea.

THE PRESIDENT: I would have to ask Lew Douglas, because some of it has got to be re-appropriated by the next Congress. It was reauthorized by the bill passed yesterday but it has got to be reappropriated.

Q There are 25 millions of the 39 millions appropriated from the last Congress. They say, down to the War Department, that they do not know whether that is going to be diverted to reforestry, or continued by letting new contracts on water-ways. For example, on the Missouri, we have 15 thousand people working.

THE PRESIDENT: Yes. I cannot tell you about any individual project. I would have to ask Lew Douglas.

Q How is your railroad program coming along?

THE PRESIDENT: Oh, I hope next week. There again, it is one of those things that is terribly complicated and you have to have groups working on it.

Q Have you settled on a coordinator, if that is the idea?

THE PRESIDENT: No. You mean on whether we will have a coordinator? I think you can make a pretty good guess because there will be a Federal coordinator. The chances are that there will be one man with regional men under him.

Q May we turn to the foreign field for a moment --

THE PRESIDENT: Incidentally, on the railroad thing, we see no reason why there should be any expense on the Federal Government, because the coordinator and his staff will be just as small as we can possibly make them and will be a charge on the railroads.

Q Will they be Federal officials?

THE PRESIDENT: I don't know -- oh, yes; Federal officials. I don't know what the methods are here, but, for instance, in the State of New York, the cost of the Banking Department is paid for by the banks and the cost of the Insurance Department is paid for by the insurance companies. In other words, at the beginning of the year or the end of the year, they figure out how much the total cost of the Department is and they allocate that to the various companies that are inspected. It is my idea, if it is possible under the Federal law to do it, to do something like that with respect to the railroads. It will not be an expensive operation on the part of the Federal Government, therefore, and it will

cost the railroads very little.

Q Therefore the Government will not assume any operating losses or guarantee bonds or interest on bonds?

THE PRESIDENT: I hope not.

Q What will be the purpose of the coordinator?

THE PRESIDENT: To cut out duplications, is the easiest way of putting it.

Q Is it to be a coordinator on railroads alone or with respect to all transportation?

THE PRESIDENT: I don't know; we haven't got as far as that yet. Eventually, as you know, we hope to tie in all transportation under the same Government supervision.

Q Will you have the emergency bill first and then the long-time proposition to come up?

THE PRESIDENT: I don't know; I haven't got to that yet.

Q Would you care to comment on the local stories about the changes in the I. C. C. and Federal Trade Commission? There have been stories that they may be abolished.

THE PRESIDENT: Yes; they won't be abolished. That is a pretty good guess.

Q To get started on foreign affairs for a moment. I understand that the Senate Foreign Relations Committee has taken action on the American adherence to the World Court. Is it your desire, can you tell us whether you want the Senate to act at this session?

THE PRESIDENT: Not even off the record. You can make a guess.

Q Getting back to that railroad question, will your plan require legislation?

THE PRESIDENT: Yes, undoubtedly. In other words, we are still working on principles and haven't got to the details as yet.

Q Will the coordinator be a railroad man?

THE PRESIDENT: I have not thought of that.

Q How about the veterans' regulations that are due some time this week?

THE PRESIDENT: The veterans' regulations have been drafted and the Director of the Budget and General Hines are giving a chance to the veterans' organizations to come in and look them over and make suggestions.

Q Is that going on now?

THE PRESIDENT: That is going on now.

Q Do they, in any case, curtail the benefits paid to directly service-connected disabilities?

THE PRESIDENT: I cannot tell you. I don't think they do. I think there is a percentage provision in the bill.

(The conference adjourned at 10.40 P.M.)

CONFIDENTIAL
Press Conference #8
White Office Executive Offices

March 31, 1933, 4.12 P.M.

THE PRESIDENT: Here is my first salary check. I will now be able to pay the National Press bill.

Q The first thing, Mr. President?

THE PRESIDENT: The first thing, yes. (Laughter)

Q There seems to be a good deal of contention up on Capitol Hill, Mr. President, as to whether or not this securities law you sent up applies to existing securities or only to new issues. Several Senators have looked it over and say they cannot find anything in it which limits it to new securities and they are all wondering whether it is intended to apply to all issues.

THE PRESIDENT: I cannot say, because it is a brand new point. I had not thought of it at all. I should say, and this is snap judgment and off the record, that you have got to check up with the Attorney General -- I would say that it would apply, of course, to all new issues and also to any advertised sale of old issues. In other words, sometimes you find a banking house which assembles or collects a good many thousand shares of some old issue and advertises that for sale.

I should say, offhand, that it would apply to that type of old issue.

Q Mr. President, will the Tennessee basin be dealt with independently?

THE PRESIDENT: Yes, that will be a separate bill and probably a separate message. I am working on it at the present time and expect to have a conference with Senator Norris and two or three other gentlemen from the House and Senate within the next couple of days.

Q That will precede the general Public Works program?

THE PRESIDENT: The idea will be to get the bill in shape. I hope so, because the Public Works bill won't be done for some time and this Muscle Shoals,Tennessee basin thing ought to be ready in a week.

Q Has anything come of the labor conference today?

THE PRESIDENT: I have not heard.

Q You say that the Public Works bill will not be ready for some time. Will it be this session?

THE PRESIDENT: Oh, yes.

Q Will waterways be put up on a self-liquidating basis?

THE PRESIDENT: You must have been talking with some of the people --

Q I have been reading the Baltimore Sun. (Laughter)

THE PRESIDENT: This is what I said to those who conferred with me yesterday. There is no reason why it should not be printed. Here is the general thought that I have had in mind for a great many months: The Government spends - oh, I cannot give you the exact figure but it is somewhere around 60 million dollars a year in the maintenance of existing aids to navigation. Now, that includes the Lighthouse Service and the Buoys Service and maintaining dredged channels and icebreaking and things of that kind. In a good many other countries that annual maintenance charge for existing navigational facilities is borne by the users of the service. For example, in England, the tonnage that uses English waters is charged a very low tonnage tax, which is sufficient for the maintenance of all of these aids for navigation and keeping the channels dredged out, etc.

So, what we are exploring here, is the possibility of some kind of a very small tonnage tax on everything that floats -- that is the easiest way of putting it -- everything that uses navigable channels and see if we cannot bring in to the Federal Government annual revenues which will approximately meet these expenditures.

That is what I thought.

Q Would the Inland Waterways Corporation pay that tonnage tax also?

THE PRESIDENT: I don't know; I should think so, off-hand.

Q Can you tell us the plans for the Reforestation project. Have the details been worked out for putting that into effect?

THE PRESIDENT: No.

Q On the self-liquidating policy, would that apply also to the construction of new waterway projects. We got an idea, from talking to the Members of Congress, that these waterway projects have been approved by the Army engineers. Do you think they should be self-liquidating as well?

THE PRESIDENT: No. What I talked about to them was an entirely different matter. When you come down to a Public Works program, what we want to do is to pick out in this emergency the projects which will use the greatest amount of labor. A very simple example, for instance, is that when we were dredging the Hudson River from New York to Albany, it was done by very, very large dredges. The Government spent about ten million dollars on it and probably the amount that went

for direct labor out of that ten million dollars was exceedingly small. Most of it was a mechanical dredging job and most of the money went into equipment. Now that is the kind of thing that we will not recommend in the Public Works program. We are setting for ourselves a definite objective and that is to recommend only the kind of public works that will employ the largest percentage of direct labor. That is the principle.

Q Does the St. Lawrence Waterways come within the range of works projects?

THE PRESIDENT: Yes.

Q That is a future power development, although it certainly would employ labor?

THE PRESIDENT: Yes.

Q May we switch over to the foreign field for a moment? We understand that France has been sending some hints on the World Economic Conference to Washington. Can you tell us your attitude on that?

THE PRESIDENT: I have not heard anything about French hints. I can only talk about it entirely off the record at this time. It has been suggested that Prime Minister MacDonald be named chairman and that the conference be held in London.

Q He has been named chairman?

THE PRESIDENT: He has been named chairman and of course it simply is one of those things we cannot discuss at all.

Q There is another report that you intend to appoint both Republicans and Democrats to the delegation. Have you been considering that?

THE PRESIDENT: I had not thought of what the politics were. We have got a fairly good group that is working on it at the present time, and I don't know their politics. I don't know what the formal and official delegation will be -- it might be three or it might be twenty-three. I don't think there will be much politics in it.

Q You said you would allow beer to be served in the Army and Navy?

THE PRESIDENT: I merely told you about the displacement of ships the other night. (Laughter) You will have to get the official information from the Secretary of the Navy and the Secretary of War.

Q We did.

THE PRESIDENT: Then they told you that there won't be any beer served on ships or at the Naval Academy. (Laughter)

Q Has any action been taken on the recommendation of the oil conferees?

THE PRESIDENT: Not yet. The Secretary of the Interior is bringing me a report. I have not read it yet.

Q There is a statement to the effect that they expect another order from you suspending operation for fifteen days.

THE PRESIDENT: An order from me?

Q Yes, sir.

THE PRESIDENT: Who made the statement?

Q Judge Ames, President of the American Oil Institution.

THE PRESIDENT: That would be unconstitutional.

Q How about a request --

THE PRESIDENT: A request? I will have to consult with Thomas Jefferson as to how far -- (Laughter)

Q Do you feel like giving us any background about your visit with the Japanese, Mr. Matsuoka?

THE PRESIDENT: No background, because I had a very pleasant conversation about when he was a student at the University of Oregon and how his classmate later became my classmate. It was a very friendly talk -- just a friendly talk.

We are having a meeting tomorrow afternoon at two o'clock fofthe railroad people.

Q All sides? A meeting of the comittee that had been forming this or others?

THE PRESIDENT: Mac can give you the names of the people coming in.

Q It is a general conference?

THE PRESIDENT: It is a general conference. Donald Richberg will represent the brotherhood and I think Mr. Prince will be here and Carl Gray of the Union Pacific will be here and several of the people that had been working, including the Secretary of Commerce. There will be about fifteen of them. Isn't that right, Mac?

MR. McINTYRE: Yes, sir.

Q Of course those reports are for your information, are they not?

THE PRESIDENT: Tomorrow is really the first opportunity I will have had to go over all the suggestions which have been made.

Q Are there insurance representatives, Members of Congress, Labor representatives and others?

THE PRESIDENT: Labor.

Q What is the status now of the new veterans' regulations?

THE PRESIDENT: They held a meeting with the veterans yesterday afternoon and had another one this morning.

They were just going over suggestions. That is as far as they got so far.

Q Is it your idea to put the reductions into effect on July 1 or immediately after April 1?

THE PRESIDENT: I may be wrong on this, but I think almost immediately. (Mr. McIntyre spoke to the President)

Mac says that Lewis Douglas and General Hines will have the report in some time late this afternoon and they want it to come out as soon as possible and therefore that answers your question.

Q Do you know how much will be saved by this order?

THE PRESIDENT: No, we have not the figures yet.

Q Will there be any reductions?

THE PRESIDENT: I have not seen them.

Q Will there be any reductions with respect to those who sustained their injuries in the war?

THE PRESIDENT: Some, not all. It depends on the schedule it comes under.

Q Mr. President, the Senate Agricultural Committee is going to visit you this afternoon. Do you know what the situation is?

THE PRESIDENT: I want to hear what they have to say.

Q That will take a long while.

Q The scientific world has received your nomination of Dr. Briggs to the Directorship of the Bureau of Standards as evidence of your intention to keep politics out of the Government's scientific work. I wonder if you care to give any assurance that in reorganization work the scientific work will be continued?

THE PRESIDENT: I have not the faintest idea in 99 out of 100 of these technical positions whether the incumbent or new nominee is a Republican or a Democrat. It does not enter into consideration at all. For all I know, Dr. Briggs may be a good democrat.

Q Mr. President, what is the status of your Attorney General. Is he going to remain?

THE PRESIDENT: Nothing on that now.

Q You said three weeks. (Laughter)

Q How about reorganization? You said that might be either Saturday or Sunday. Is there anything new on it?

THE PRESIDENT: No, we did not even get to it in Cabinet meeting today. We deferred it until next Tuesday. We had many other things to talk about.

Q What did you take up? (Laughter)

Q There are reports from London which indicate that debt conversations may be resumed in June. Is there anything on that?

THE PRESIDENT: I haven't heard a peep about debts.

Q Do you expect France to make a deferred payment before the Economic Conference?

THE PRESIDENT: I had better not say anything about that one way or the other, except to say, off the record, that hope springs eternal.

Q Is the Farm Mortgage program near completion?

THE PRESIDENT: I think we are getting somewhere. Henry Morgenthau was up with the committee this morning. If we actually get somewhere during tomorrow and Sunday I am going to get an extra out Monday or Tuesday. But you had better not make that definite -- that is only a real hope.

Q In that connection, Mr. President, is there any likelihood of setting up a new Federal Farm Credit Agency?

THE PRESIDENT: No. There is no reason why I should not tell you what we are working on. At the present time we are trying to avoid setting up a new United States Credit Bank. We want to use existing agencies as far as we can. We find that the present Farm Land

Banks -- there are twelve of those organizations -- can issue consolidated bonds. In other words, they can use them all over the United States. That is a very advisable thing. We apparently can do it without building up much in the way of new machinery. It would mean putting in here, under Henry Morgenthau, Jr., a consolidated bureau of some small size to supervise the work as it is done all over the United States.

Q Thank you, Mr. President.

THE PRESIDENT: A week from today, gentlemen. (Laughter)

(The President evidently meant that beer would become legal on April 7.)

(The Press Conference adjourned at 4.27 P.M.)

CONFIDENTIAL
Press Conference #9
White House Executive Offices,
April 5, 1933 - 10.40 A.M.

Q Reports from London say that Mr. MacDonald has booked passage for arrival here on the 15th.

THE PRESIDENT: Steve Early has a statement on that for you. It will be ready for you as soon as you get out of here. I can only tell you, off the record, we have not heard a thing.

Q One report said that he was waiting for some invitation.

THE PRESIDENT: We haven't a thing. Steve will give you the story on it.

Q Mr. President, in connection with Ramsay MacDonald's visit, the London papers this morning say that Norman Davis has submitted informal debt funding agreement proposal which will --

THE PRESIDENT: Off the record, that is crazy. He is not over there on debts at all. That is off the record.

Q. Does Steve's statement cover the possibility of our extending an invitation to MacDonald to come over?

THE PRESIDENT: I think it covers the whole thing.

Q Does it include a conference?

THE PRESIDENT: You will have to wait and see it.

The only other thing I can think of is of some interest under the general economy program. I got General Hines to figure out not only what the immediate saving is from the veterans' reorganization, but also what the future savings will be. In other words, the cutting out of future Federal budgets of the construction cost which would have to be spent under the old law. Steve has got that for you too. It shows the future savings in construction and operating costs of $1,203,000,000. The statement is full of figures.

Q That is an operating cost, you say?

THE PRESIDENT: Construction and operating cost.

Q Over what period, Mr. President?

THE PRESIDENT: That I cannot tell you. I have not read it.

Q You say Steve has that?

THE PRESIDENT: Yes.

Q I notice Mr. Whitney is on your calling list this afternoon. What are you going to talk to him about?

THE PRESIDENT: I don't know. He asked for the appointment. I suppose it is about the Stock Exchange.

Q If that is all he asks for, you are all right. (Laughter)

Q This London report also says something about extending invitations to other governments to send over experts to cover preliminary meetings before the Economic Conference. Is that covered in the statement?

THE PRESIDENT: No, that is not covered in the statement.

That is a newspaper story which is based on just about 20% of fact. The facts are, of course, that we are at the present time carrying on economic conversations right here and that is all there is to it. We are continuing those economic conversations with respect to various governments. There are no formal conferences. When we get to some particular point, we ask the Ambassador from Germany to drop around or the French financial adviser to drop around to the State Department. It is being handled in a very informal and thoroughly practical way.

Q Is that why you talked to the French Ambassador?

THE PRESIDENT: He merely came in to say "good-bye".

Q Can you say anything on the nature of the trade agreement legislation which the State Department apparently has under consideration?

THE PRESIDENT: I was talking with the Secretary of State about that last night and I think you can use this as background, that we have not got to anything further than a preliminary discussion of what may be necessary to ask Congress for before they adjourn. We have not got anything down on paper at all. But, as I said in the message to Congress three days ago, I am going to ask them for something that will enable us to at least try to break down some of the tariff barriers.

Q Will that follow the Argos (?) plan?

THE PRESIDENT: What was that?

Q The Argos (?) plan proposition of the Donnelly tariff of 1897.

THE PRESIDENT: I don't know. I never heard of it. I am too young. (Laughter)

Q Mr. President, in that connection do you intend to ask Congress also for any authority in connection with the negotiation of war debts?

THE PRESIDENT: I have not discussed that at all.

Q Mr. President, are you going to have press conferences next month?

THE PRESIDENT: Next month?

Q Yes.

THE PRESIDENT: I suppose so.

Q We will probably all be in Sing Sing if your bill goes through the Senate - the last bill to the Congress.

THE PRESIDENT: Let us talk about that for a minute off the record. The honest truth was that I had not heard a word about it until the bill was introduced. Then I called up the State Department and found out the bill apparently went further than they had intended it to themselves. I sent over and got a copy of the famous book. Of course, the only objective - this is really absolutely off the record - the only objective is to prevent in the future people who have been working on secret codes and things like that from writing books about it. What happened back there in the 20's was in my judgment an absolute disgrace to this country, of course. There is no question about it that this fellow did decipher the code of a friendly nation at the time of the Washington conferences. Whether the State Department at that time got all that information to the advantage of the United States and the disadvantage of Japan, I don't know. But it was not an ethical thing to do between two nations at peace.

It was probably a survival of the War days and of course when you are at war you try to get the enemy's code. Both Mr. Daniels and I were guilty of a lot of things like that. (Laughter) But that was during the War and, as I understand it, as soon as this thing broke in this book, the State Department said that they would never do it again. But the fact was that this book, which has already come out, was published in Japan and they had sold about 30,000 copies of it and it was used there as anti-American propaganda. Then they got word that there was another book coming out, which was disclosed from London, to the effect that the State Department had deciphered the Japanese codes, and if that comes out and is published in Japan it will probably run to 100,000 copies and will stir up more anti-American feeling.

The only object is to prevent that sort of thing from happening. I think it should be said, quite frankly, that there was no thought of having it apply to the press or to any legitimate publicity. If they can work it out up on the Hill to prevent the publication of this book, or books of a similar nature, it

will be a good thing.

Q Mr. President, the House report on that bill said it was a proper auxiliary of your emergency program. Will you explain that?

THE PRESIDENT: I cannot explain it in any way at all. (Laughter) That is a mean question. (Laughter) I can only plead complete ignorance.

Q Is the Administration making any effort to moderate this bill up on the Hill, or is it going --

THE PRESIDENT: I think so. I talked with the Secretary of State about it last night and I think somebody will go up there today to talk about it.

Q You seem to have had quite a talk with the Secretary of State last night. Have you anything else with him?

THE PRESIDENT: We talked about the whole problem of economics last night. We had quite a conference.

Now, everything having to do with that book was off the record.

Q In regard to railroads, is there anything further to report?

THE PRESIDENT: No; I think probably Secretary Roper is

coming in this afternoon or tomorrow to talk to me about it some more.

Q Can you give us some sort of an outline with respect to the policy you have in mind in developing this new transportation regulatory machinery?

THE PRESIDENT: I don't think I can, yet. Secretary Roper is still working on it and I have not seen the preliminary draft. The conference the other day merely took up, verbally, two or three plans.

Q Can you say or indicate whether or not, in its broad outline, contemplates subordination of the Interstate Commerce Commission to an Executive Committee?

THE PRESIDENT: No, it does not.

Q It does not?

THE PRESIDENT: In other words, if it follows the line of a Federal Coordinator with assistants, probably he and his assistants would be tied in to the general policy of the ICC, but they would not be able to go over the heads of the ICC.

Q In the reorganization bill, it would not contemplate a grouping --

THE PRESIDENT: No, no.

As far as the rest of the week goes, I think probably the only additional message to Congress this week will be something on Muscle Shoals and the Tennessee Basin developments. When I will send that up, I don't know. Today is Wednesday and I will probably send it up on Friday. I have been working with Senator Norris and Congressman McSwain on the outline of the legislation.

Q Mr. President, can we look for anything on the lifting of the gold embargo within the United States --

THE PRESIDENT: I guess, there will be an Executive Order today, I think.

Q Today?

THE PRESIDENT: It has not come over yet.

Q On the lifting of it?

THE PRESIDENT: No, the tightening of it. (Laughter)

Q What is that, Mr. President?

THE PRESIDENT: In other words, on the general theory that the United States Government is going to control all the gold in the country.

Q You do not mean to say that they are not going to allow international movements of gold? That would be a licensed arrangement?

THE PRESIDENT: Yes.

Q Are you getting far enough along with the emergency program to begin to let the boys have jobs?

THE PRESIDENT: I have been pretty good. I sent up two or three appointments over the last two or three days.

Q I mean the ones that count - the little ones.

THE PRESIDENT: You will have to ask the Director of the Budget about that. (Laughter)

Q Have you invited Mr. Daniels to our party on Friday? (Laughter)

THE PRESIDENT: Friday? (Laughter) (Turning to Honorable Josephus Daniels) That is the party to distribute the first cases of beer. (Laughter)

MR. DANIELS: I am leaving for Raleigh Thursday night. I am sorry I cannot accept the invitation. (Laughter)

Q Are you going to read us that memo there?

THE PRESIDENT: Yes, in about ten minutes. (Laughter)

(The press conference adjourned at 10.50 A.M.)

CONFIDENTIAL
Press Conference #10
White House Executive Offices,
April 7th, 1933 - 4 o'clock P.M.

THE PRESIDENT: I understand that in some mysterious and subterranean way you got a suggestion that Frank Murphy is going as Governor to the Philippines. I guess you are right.

Q Frank Murphy of Detroit?

THE PRESIDENT: Yes, Mayor of Detroit.

Q When will he go?

THE PRESIDENT: I have not sent - I don't think I have sent the nomination yet. It will go up Monday.

Q Does that mean that Homer Cummings will stay as Attorney General?

THE PRESIDENT: Yes.

Q When will he go?

THE PRESIDENT: And then somebody guessed that Chip Robert is going in as Assistant Secretary of the Treasury. That is right too.

I cannot tell you anything about diplomatic appointments because there are two or three on the way and we have not heard from the foreign countries as yet.

Q Is Germany on the way?

THE PRESIDENT: No.

Q Have you anything to say about the people in Michigan and Wisconsin sustaining the prohibition repeal according to the Democratic platform?

THE PRESIDENT: What do you think? (Laughter)

Q Mr. President, can you give us your point of view on this thirty-hour week legislation?

THE PRESIDENT: All I can tell you on that at the present time is that I am trying to find out what the effect will be. Miss Perkins is having a special study made and so is the Secretary of Commerce, and we are going to check it over, over the week-end. Then probably either Miss Perkins or Mr. Roper will go up and talk it over with the Committee in the House. That is far as we got.

Q Does that include the proposed amendment for barring all importations that are not manufactured on the thirty-hour basis?

THE PRESIDENT: That was not adopted, was it?

Q No, sir; it failed, but it is in the Connery bill which is supposed to be substituted for the other bill.

THE PRESIDENT: We have not mentioned that at all. I suppose they will look into that phase of it.

Q Can you tell us what your plans are for these conversations you are going to have with Ramsay MacDonald and the other European statesmen?

THE PRESIDENT: Not yet.

Q After you have had a series of conferences with the different Ambassadors --

THE PRESIDENT: As a matter of fact, so far as I am concerned, they will be very informal, so much so that it will be very difficult to write about them.

Q Oh! (Laughter) We will have to write a lot then. (Laughter)

Q Are you going to sit around a table and discuss it with all of them?

THE PRESIDENT: No.

Q Just individually?

THE PRESIDENT: Yes.

Q Does that include Canadian negotiations?

THE PRESIDENT: I would not put it that way. Don't say those "negotiations". Now, this stuff is off the record. I think I had best give you some idea of the way it is being handled. As we are going along, the State Department is discussing various phases, let us say with England, then they will discuss it

among themselves and then possibly some others will discuss it with France. Thus, there won't be any gathering or anything that you can call "those negotiations". There won't be any general conference. It will be selective in its treatment - I think that is the correct word.

Q Has any consideration been given to financing public works by a popular construction bond issue?

THE PRESIDENT: No, we have not got to that yet.

Q You have got your bill ready for reciprocal tariff, have you not?

THE PRESIDENT: No.

Q There is a story in that connection this afternoon in the Times that a 10% cut is on your program.

THE PRESIDENT: I heard of it.

Q There is some discussion that you have some sort of proposition by which Cuba can send in 10% of the amount of sugar at a reduced rate and the other 90% will be at the present rate. Wouldn't that be a good way to solve that problem?

THE PRESIDENT: I suppose there have been an average of fifteen plans sent in a day. That would come under the category of one of the different plans. We have not

got down to a discussion of the different plans.

Q Is Russia to be received in the economic discussions?

THE PRESIDENT: (The President gave a negative response by shaking his head)

Q Can you tell us something about the Food and Drug Acts that Mr. Tugwell was supposedly working on?

THE PRESIDENT: I don't know any of the details. Rex Tugwell talked to me about two or three weeks ago when he first went on duty and said that in his judgment there ought to be a very definite tightening up and revision of the machinery to enforce the Act and also, possibly, the Act itself. He was going to study it and I have heard nothing more since then.

Q What did you accomplish with Baruch and others on the Farm Bill?

THE PRESIDENT: They have not been in yet.

Q Is Mr. Peek in line for an important job in the Farm Administration?

THE PRESIDENT: He has always helped and will continue to help.

Q Anything new on banking? Anything new on bank deposits?

THE PRESIDENT: No.

Q Do you expect to have any more messages for Congress on particular legislation?

THE PRESIDENT: Yes.

Q What will that include?

THE PRESIDENT: I have not run out. I was going to send the Muscle Shoals message up today but the House adjourned over so I am holding it until Monday.

Q Can you tell us the status of your railroad program?

THE PRESIDENT: I expect to have a meeting on it Monday evening at the White House.

Q Can you tell us whether that includes any provision for the Government forcing reorganization of the railroads as suggested at Salt Lake?

THE PRESIDENT: We have not, any of us, got to the point of particularizing. We are still talking on two or three different methods.

Q Who will be at the meeting on Monday, Mr. President?

THE PRESIDENT: Secretary Roper, the Secretary of the Treasury and one or two others.

Q Mr. Richberg?

THE PRESIDENT: I don't think so.

Q Anyone from Congress?

THE PRESIDENT: Mr. Eastman, I think.

Q Any of the Congressmen?

THE PRESIDENT: No, I don't think so.

Q Do you think by next week you may be able to get something in on the railroads?

THE PRESIDENT: I don't know. It is a difficult thing. I hope so.

Q Are you going to send something in on refinancing home mortgages?

THE PRESIDENT: We are getting on with that very well too. I hope that will go in next week.

Q How about the bituminous coal stabilization?

THE PRESIDENT: Nothing further on that.

Q But there might be something done along that line?

THE PRESIDENT: I don't think so. I doubt it very much.

Q Have you been able to cash that first pay check?

THE PRESIDENT: Yes, I cashed it and I am sending back my 15%.

Q What is that?

THE PRESIDENT: Dollars - $843.75. And I am also sending my dues to the National Press Club.

Q That is foolish.

Q That is on your first month's pay, is it?

THE PRESIDENT: Up to the 1st of April.

If anybody wants to see something that is really a joy, here it is. This is just strictly in the family. The most correct paper in the United States is the New York Times. Here is the loveliest thing that ever happened. You see on the right-hand side a picture of a boat which is laying on its side in the mud and the story along side it says "liner stabilizer found successful." (Laughter)

I got that this morning when I wasn't feeling at all well and I have been perfectly happy ever since. (Laughter)

Q They are evidently producing some humor in their paper now. (Laughter)

Q Has there been any progress made in the centralization of the transportation regulatory agencies?

THE PRESIDENT: Nothing; I have not done anything more about it.

Q Would you like to make some comment on the effect on employment by reason of the production of beer?

THE PRESIDENT: Nothing. Maybe later on this evening, I may.

Q I can right now. (Laughter)

Q How many cases have you gotten thus far?

THE PRESIDENT: I can't say anything on the record, except entirely off the record. But all reports we are getting in is that the actual employment that has resulted from the manufacture of beer is bigger than the estimate and the amount of beer manufactured during the month is running away ahead of the Treasury estimates.

Q I want to thank you for sending the beer to the Press Club.

THE PRESIDENT: It got there all right? Fine.

Q Also, can I tell them that at four o'clock tomorrow afternoon they can come down there and get it?

Q There have been reports of the Administration coming around again to inflation and I wonder if you will say something about that - I mean actual inflation of the currency.

THE PRESIDENT: No, not putting it that way. I will tell you, off the record, about the problem. After all, you ought to know it. It is an old story.

So much of the legislation we have had this spring is of a deflationary character, in the sense that it locks up money or it prevents the flow of

money, that we are faced with the problem of offsetting that in some way. I would not say "inflation of the currency", because that is not the necessary meaning. You see, upon the closing of the banks I put away somewhere around four billion dollars. It was probably locked up before, but people did not know it. Now it is locked up and people do know it. That is deflationary. The effect of cutting very nearly a billion dollars off the Government payroll - the veterans, cutting down of departments and cutting off the 15% of employees' pay - would probably run to perhaps not quite a billion dollars but very nearly that. It means that much loss in the flow of money. That is deflationary.

Now, on the other side of the picture, we have C.C.C. giving employment to about 250,000 people in the forests and on works of various kinds. That is only $250,000,000 as an offset, and then there is $500,000,000 as an offset on direct relief to the States. That means that we have not yet caught up with the deflation that we have already caused, and therefore, of course, we are going to talk about

methods to give more people work or to raise commodity prices, which would --

Q The Farm Bill would do it.

THE PRESIDENT: The Farm Bill would do it, of course, because it will raise commodity prices and the Farm Mortgage Bill and the Home Credit Bill will help because it will cut down the debt obligations of the small, individual family man - the home man. That is all to the good.

Q Lower rentals --

THE PRESIDENT: But the question is whether all those things are inflationary. They are helpful.

Q Might we have an expression from you that there is no disposition on the part of the Administration to inflate the currency itself? I mean to print currency in a manner other than has been done.

THE PRESIDENT: What do you mean, start the printing presses?

Q Yes.

THE PRESIDENT: Off the record, we are not going to start the printing presses. That is silly.

Q Mr. President, are you ready to define what you consider a sound currency as expressed in your inaugural message?

In your inaugural message you said you were going to stand for a sound currency.

THE PRESIDENT: I am not going to write a book on it.

Q Can you say how much the public works program will overcome the five billion dollar deflation which you have mentioned?

THE PRESIDENT: That is very hard to tell. You can figure it twenty different ways. I don't know.

Q Has any consideration been given to paying off deposits in closed banks or, rather, to facilitate the paying off of deposits?

THE PRESIDENT: Yes, we are talking about that now.

Q Couldn't you allow us to discuss this on our own authority, what you have stated about inflation and deflation? You said it was off the record.

THE PRESIDENT: It has been printed lots and lots of times. There is nothing new in it. We know that a great many of the measures have been deflationary and we know too that a few of the measures have been somewhat inflationary in the sense of giving people work. But we know that we have not got to the point of equalizing and that we probably must do more. I don't like the word "inflationary" because no two people agree on the

definition. It is better say that we have got to do something more to give people more work.

Q May we use that as background?

THE PRESIDENT: I think so.

Q That is, this last part?

Q Your whole discussion or just what you said last?

THE PRESIDENT: No, just what I said last. I will hold it down to that.

Q How much new money has been issued of that $2,000,000,000?

THE PRESIDENT: Do not use what I say because it is merely my impression that it is five or six hundred million dollars.

Q Is that in actual circulation?

THE PRESIDENT: I think that is the amount which has gone out. How much has come back I do not know, but it it is a very small amount.

(The press conference adjourned at 4.15 P.M.)

CONFIDENTIAL
Press Conference #11
Executive Offices of the White House

April 12, 1933, 10.30 A.M.

Q Good morning, Mr. President.

THE PRESIDENT: I have to hurry you along a little bit today. I have got fifteen minutes before I go to make a speech. That is why I am all dressed up.

Q Tell us who might succeed Eugene Meyer?

THE PRESIDENT: Somebody asked who would be successor to Governor Meyer. Two weeks ago Eugene Meyer came around and told me that he would like to be relieved of his duties as Governor and Member of the Federal Reserve Board because he wanted to go off, back to private business, and I asked him to stay on until I could find a successor. That is all there is in the story.

Q Is the Securities Bill regulating stock exchanges ready yet?

THE PRESIDENT: I cannot tell you on that. I asked the Attorney General and the Secretary of Commerce to keep in touch with the situation. I have not heard from them for about a week. I do not know what is happening.

Q Some Senator is supposed to have an Administration Bill drafted by Samuel Untermyer?

THE PRESIDENT: No, I have not seen the bill.

Q There seems to be a great deal of confusion about the Banking Bill this morning?

THE PRESIDENT: I am sorry that I have got to spoil a whole lot of perfectly good headlines. The real situation is that I have talked with Carter Glass and a good many other people on it and a discussion of any banking legislation is still in the preliminary stages. You cannot say that we are for or against any one feature of the Banking Bill, because we have not got there yet. That is the real situation. Of course, there are a great many different elements involved.

Q What I would like to ask is of interest to the local papers, Mr. President. Have you any expressions to make about Secretary Roper's plan for reorganization in the Department of Commerce, which I understand is on your desk?

THE PRESIDENT: He gave it to me after Cabinet meeting yesterday and I have not looked at it yet. There is the plan and there is the book. (Indicating)

Q Charlie, will you take a look at it? (Laughter)

Q Will you give us the Administration's attitude toward the 30-hour bill?

THE PRESIDENT: I can tell you that as background. Miss Perkins and Secretary Roper and the Attorney General and I talked about it yesterday after the Cabinet meeting. I think we all felt that the bill must be given elasticity, without trying to tell the Congress the exact methods of elasticity. In other words, I told Miss Perkins that I thought it was better to tell the Congress that it should have a maximum number of hours of any particular number -- whether 36, 42 or 44. I have not heard from her since she appeared before the committee.

Q I think she did not appear yesterday; she is going up today.

Q Has any decision been reached about prohibiting the importation of foreign goods made in factories that do not work thirty hours?

THE PRESIDENT: We did not mention it. I have not discussed it at all. That would be one of the phases to come up.

Q It is satisfactory to you in principle, is it not, Mr. President?

THE PRESIDENT: It is pretty broad to say that. In other words, the question is whether, on the administration of the bill, the Administration is given a pretty

wide latitude. It depends on the width of the latitude as to whether we approve it in principle or not. We do approve this in principle and I think we should. We are making two rather definite efforts. The first is to spread employment over a very large number of people as, for instance, in certain factories and certain industries where the work can be spread out over a larger number of people. The second principle is to prevent any one individual, man, woman or child, from working too many hours at a time in any twenty-four hours. Then there is a third principle involved which we have only discussed in a tentative way and that is whether the Government should try to spread work within a given industry over the whole industry and to prevent the concentration in the hands of any one or two units of the industry of all the work. Well, the simplest illustration is a story that was told me the other day. There was a certain little sweater factory in a little town -- I won't even give you the location of it -- where they normally employed only about 200 people. It was the only industry in town. The owners of the little sweater factory and the employees had always been on exceedingly good terms.

It was difficult to sell enough sweaters to keep them going because there were so many sweater factories. So, the owners and the employees got together and talked the situation over. They only had about six weeks' work in the whole past year and all the other sweater factories in the country had about the same kind of work -- about six weeks out of the year. Well, the result was the population in this little town was practically starving to death. So they got together and decided that the thing they wanted to do was to work, even though it would be at much reduced pay. So they figured out that if they could cut their wages 33 per cent they could cut the cost of making these sweaters by the same amount and in that way undersell every other sweater factory. So they agreed to do that for a six months' period.

The selling agent went down to New York and in 24 hours, on the new prices, based on a cut of 33 per cent, he sold enough sweaters to keep that factory going for 6 months, 24 hours a day, 3 shifts. Now, of course that is bad business, in all ways. In the first place, it cuts the scale

of wages and the scale of living. Of course, they get a good deal of cash into the community because they have got three shifts working. But the worst feature of it is that they undoubtedly, by taking these orders, put two other sweater factories completely out of business.

Now, that brings up the question as to whether we can work out some kind of a plan that will distribute the volume of consumption in a given industry over the whole industry. Instead of trying to concentrate production to meet that consumption into the hands of a small portion of the industry, we want to spread it out.

Miss Perkins is going to talk to them about that feature of it. There are a great many legal questions and a good many constitutional questions, and a good many questions as to whether the Federal Government should embark on that. However, I think it is fair to say that that might be called a step that looks forward. It might be called the regulation of production or, to put it better, the prevention of foolish over-production. It is a pretty important subject and I think about all we can say at the present time is that we are exploring it.

Q Mr. President, are you giving any consideration to the five-day week for Government employees?

THE PRESIDENT: I don't think that has come up at all. The only thing that did come up was that certain Government people were on a five-day week and, under the ruling of Comptroller General McCarl, we had to put them back on five and a-half days.

Q I think the Labor Department had it and they have abandoned it since Miss Perkins came in.

THE PRESIDENT: Yes; that was due to the ruling of the Comptroller General.

Q There is still a lot of talk on inflation. Do you care to say anything on the value of the dollar?

THE PRESIDENT: No.

Q We heard from two more experts this week. One says you are for and the other says you are against?

THE PRESIDENT: That is included under background on the banking situation and banking legislation. It is still in the preliminary stages of discussion.

Q May 1st is coming along very rapidly. Can you tell us your plans for proceeding against gold hoarders? You will proceed, won't you?

THE PRESIDENT: I talked to Mr. Woodin about it a couple of days ago and he is working on it. That is as far as I can go now. Secretary Woodin's mother was desperately ill last night and he took the midnight train, as you know. He will probably be there for two or three days.

Q Will your plans be available before May 1?

THE PRESIDENT: Oh, yes.

Q Will you talk about it after May 1?

THE PRESIDENT: I will talk to you before May 1. What is the deadline date, the 27th?

Q The 28th.

THE PRESIDENT: We will say something about it before then.

Q Is Ramsay MacDonald going to stay at the White House?

THE PRESIDENT: You can say and use this as background, that I hate to fish or cut bait on where the distinguished visitors are going to live. Of course, with a great many of them coming in, it is obviously impossible to have them all at the White House. There may be three or four of them here at the same time and the White House is not sufficiently elastic. In view of that, I adopted what might be called a rule of thumb and that is that the Prime Ministers

would stay at the White House but that Members of Cabinets, very much to my regret, would have to stay at their own embassies.

Q Are you likely to see Herriot and MacDonald together, or will there be separate conversations?

THE PRESIDENT: Do you know the date that Herriot leaves?

Q He leaves next Monday and ought to be here by Friday. Mr. MacDonald will still be here at that time?

THE PRESIDENT: Very likely, if he gets here before MacDonald leaves, we will all sit around the table.

Q How is your French? They don't talk much English.

THE PRESIDENT: Between us, we can make a go. It always reminds me of the time back in 1913, which the older people will remember, when Doctor Miller of Brazil, their foreign minister, came up here to return Secretary Root's call. I took Secretary Root and others down with me and Doctor Miller got on board at Hampton Roads and he spoke German, French, Italian, Spanish and Portuguese, and not a word of English. None of the others spoke a word of anything except English and I had to do the translating. I lost ten pounds in one evening.

Q Thank you, Mr. President.

THE PRESIDENT: I am calling off the Cabinet meeting on Friday because a great many of them want to go off

on a weekend trip.

Do you want to call off the Press Conference?

Q No, no. (Laughter)

(The Press Conference adjourned at 10.43 A.M.)

CONFIDENTIAL
Press Conference #12
Executive Offices of the White House,
April 14th, 1933 - 4 o'clock P.M.

(Secretary Ickes was present at this press conference)

THE PRESIDENT: Mr. Secretary, what paper do you represent?

SECRETARY ICKES: The Tageblatt.

Q Mr. President, will you look at this (handing The President a newspaper clipping). It is a very well worked out story and it has embarrassed lots of us and it seems to be rather authentic.

THE PRESIDENT: Wasn't that taken from Arthur Krock's story?

Q I don't know but it does seem to go into detail on the reorganization of the departments.

THE PRESIDENT: I will have to read it; I will learn a lot about the Government.

Q Can you give us something about the reorganization of the Government?

THE PRESIDENT: I don't know anything about it.

Q Have you received any recommendations?

THE PRESIDENT: No.

Q Is the St. Lawrence Waterway Treaty on the program for ratification?

THE PRESIDENT: I think so but I have not heard anything about it for ten days. It has been reported out, has it not?

Q I believe so.

THE PRESIDENT: Then I take it it is on the list.

Q Do you want any changes in that, Mr. President?

THE PRESIDENT: I cannot tell you anything on that except that they are discussing up there and you had better follow it up there on the Hill because it is not my business. They are discussing some kind of a joint resolution which will make perfectly clear the status of the State of New York in regard to power. In other words, it dovetails in with what I started in the State of New York as to a relationship between the Federal Government and the State Government and prevents, for all time, any possibility of the power, when it is turned over to the State of New York, falling, by some mischance, into private hands.

Q Does that also fix the amount the State Government shall pay?

THE PRESIDENT: I don't know whether that is in the resolution or not. At least it fixes the principle.

Q I think the question involved was the amount the Federal Government would agree to pay.

Q They had agreed on the amount some time ago, as I understood it.

THE PRESIDENT: They never agreed on any particular amount. The State Department amount was about $110,000,000.

Q I understood that they had agreed at $89,000,000.

THE PRESIDENT: I don't think they have. Then, I think, there were certain State Department considerations.

Q You can take them off now.

THE PRESIDENT: And another thing is that that amount, of course, was the amount that was figured on the cost of labor and materials two years ago. On the basis of present prices it would be substantially lower.

Q The cost of the materials involved would be those at the time of building?

THE PRESIDENT: I hope so.

Q Would the purpose of the joint resolution be to protect the New York position primarily?

THE PRESIDENT: The joint resolution falls into two parts. The first recognizes the right of the State of New York to the power and the second, applying to that

recognition, is a prohibition against any possibility of that power being used by anybody except through public authority.

Q We are not surprised to learn that representatives of several Southern power companies appeared before the Committee of the House opposing your Tennessee Valley project.

THE PRESIDENT: I thought they were going along with it.

Q Certainly not.

Q Mr. President, can you tell us anything of the conversation with Colonel Cooper?

THE PRESIDENT: I can tell you entirely off the record.

He talked about the possibility of selling things to Russia. But that has to be off the record.

Q What is the possibility?

THE PRESIDENT: We talked about the need in Russia for all kinds of machinery and materials of various kinds.

Q Colonel Cooper - that was Colonel Hugh Cooper?

THE PRESIDENT: Yes.

Q That is all off the record?

THE PRESIDENT: Yes, that has to be off the record.

Q On that same subject, did he urge recognition?

THE PRESIDENT: No, we did not talk about that. We only talked about the need of Russia for these various materials.

Q Can you sell them without recognition?

THE PRESIDENT: We have been selling some without recognition.

Q Do you favor a Federal minimum wage law?

THE PRESIDENT: Steve (Mr. Stephenson), I cannot answer that categorically like that. What they are talking about on the Hill is some sort of an amendment to the Black bill. Now, what the constitutionality is on a thing like that, frankly I haven't gone into it. They are still in the exploratory stage up there on that.

Q There has been some discussion about establishing minimum wage boards in industry, has there not?

THE PRESIDENT: Yes, and of course the situation, from the point of industry, has got a good many industries to a point where 80% or 90% of the industry will go along with the payment of fair wages; but the fact that 10%, 15% or even less - 5% of the industry won't play spoils the entire idea - the possibility of it.

Q And the establishment of such boards would mean protection to fair employers as well as protection of employees?

THE PRESIDENT: That is just it. The fair employers would represent 85% or 90% of industry. You take the cotton mill owners of this country: Probably 90 or 95% will go along with some kind of fair wage proposition, but the fact that 5 or 10% of them won't sign up, makes it impossible to put the agreement through.

Q Sidney Hillman, for example, says that the fair employers in industry are being murdered by mushroom sweat shops.

THE PRESIDENT: Yes.

Q Can you get at that by Federal legislation?

THE PRESIDENT: They are looking it up on the Hill - I don't know. I have not spent any time on it personally.

Q You would like to see something done along that line?

THE PRESIDENT: Very much. If something constitutional is possible I would like to see it done.

Q Can you report any definite progress on the public works program?

THE PRESIDENT: No; I haven't done a thing on it. I have not done anything on it all week.

Q Mr. President, someone on the Hill says that inflation of some sort seems to be very much on the way. I wonder if there is anything additional on that other than what you told us a week ago.

THE PRESIDENT: I could not go any further.

Q Is it your hope to prevent inflation of currency through a building program - something to increase prices?

THE PRESIDENT: I would not put it that way.

Q How would you put it?

THE PRESIDENT: I won't put it at all. (Laughter) It would take me half an hour.

Q We have got half an hour. (Laughter)

Q That is the principle of it.

THE PRESIDENT: Without stating it just that way.

Q Tell us something more about banking.

THE PRESIDENT: I have not done anything about it at all, one way or the other. Secretary Woodin is not back and we have not discussed it.

Q How about the railroads, Mr. President?

THE PRESIDENT: I hope to have something about the beginning of the week.

Q What will that be?

THE PRESIDENT: I think the guess is pretty good - it will

be some sort of a Federal coordinator.

Q What is the particular purpose of - the function of Professor Berle in connection with transportation? Does he fit into it? His opinion seemed to be in connection with transportation in the Reconstruction Board.

THE PRESIDENT: What is his opinion?

Q It was announced the other day that he was to be at the Reconstruction Corporation as head of the transportation division or something like that.

THE PRESIDENT: I did not know anything about it until I read it in the paper. I suppose it is to advise them on applications for loans.

Q As to this railroad legislation, is it to be of an emergency nature with comprehensive railroad plans to come?

THE PRESIDENT: Yes.

Q Later in January? In other words, it is --

THE PRESIDENT: It is really a temporary measure which we hope will do two things: The first is to take care of the general problem of supplying money and to coordinate things between now and next January and

the second is to give us a chance to turn around and get something more definite through experience.

Q Can you tell us anything about plans to refund Government obligations? We are told --

THE PRESIDENT: I think today is the last day. The rates will not be given.

Q Can you give us any background on what you contemplate on this refunding?

THE PRESIDENT: We have not got that far. We are not going to serve notice, that is as to the Liberty 4's. They won't be called.

Q Did Mayor Curley come in to say "good-bye" before sailing?

THE PRESIDENT: No, the Mayor thought it over very carefully and there was a real demand up there in Boston. Didn't he give a statement out on it?

Q I expect so. He went out just as we came in.

THE PRESIDENT: He feels and public sentiment feels - the Boston Transcript believes he should stay there in Boston during this emergency. He feels that it is his duty to remain as Mayor up there during the emergency. There was much regret. We will have to withdraw

his name.

Q Mr. President, there is a great deal of speculation as to the positions to be filled on the Federal Reserve Board.

THE PRESIDENT: Off the record, I have not found anybody to fill either one of the three places.

Q Does that hold also with regard to the Reconstruction Finance Corporation?

THE PRESIDENT: The same thing.

Q How about the five hundred million dollar relief bill?

THE PRESIDENT: I don't know. Has it been reported out in the House?

Q They are waiting for a report from the White House.

THE PRESIDENT: The five hundred million dollar bill? I don't know why they are waiting for me. You mean the Wagner bill?

Q Yes.

THE PRESIDENT: I don't know why they are waiting for me.

Q This conference with Senator Wagner and others, would not that deal with the large public works program?

THE PRESIDENT: I don't what they are coming down for. They are coming down this afternoon.

Q It is understood that you want it, but you think it

ought to be enlarged some.

THE PRESIDENT: I have not talked about it at all yet. Hasn't anything to do with the five hundred million dollar bill?

Q No, the new bill.

Q There was a failure to plan any refunding on these fourth Liberties. Does that mean you want to keep the market better for absorbing a large bond issue in the future?

THE PRESIDENT: Not necessarily.

Q Have you any idea in connection with the mobilization of private industry in connection with your relief program?

THE PRESIDENT: Only what I read in the Times this morning.

Q Does that put any ideas into your head?

THE PRESIDENT: Yes, it is fine; it is all right. (Laughter)

Q Professor Moley probably has not reported yet. It is his plan.

Q The plan to keep Medalie rather indefinitely as District Attorney has raised hob on the Hill and they are wondering how long it is going to be. Everyone knows that he ran against Bob Wagner and has been out strong against you and they think it is stretching magnanimity a bit to keep him for so long.

THE PRESIDENT: Just see how bad we beat him. (Laughter)

Q I don't think that answer would quite satisfy them. Is there anything to be said about the length of time or is it just to clean up?

THE PRESIDENT: I haven't any idea. Of course, he has pending cases. The Attorney General wants to keep him on during the pendency of those cases. How long it will be, I don't know.

Q How far do you expect to go in reorganization in a large way? How much do you expect to save by reorganization in Government departments? I have to write something about that.

THE PRESIDENT: I don't know; I haven't any idea.

(The press conference adjourned at 4.35 P.M.)

CONFIDENTIAL
Press Conference #13
At the White House Proper,
April 19th, 1933 - 10.38 A.M.

(The President had a cold and the Press Conference was held in the Oval Study in the White House proper.)

THE PRESIDENT: What is the news?

Q There has been some talk again about inflation. I don't know --

THE PRESIDENT: How do you define inflation?

Q I don't know what it is. (Laughter)

THE PRESIDENT: Neither do I. I have gotten to the point where even a cigarette tastes bad.

Q That is a sign of a cold?

THE PRESIDENT: Yes, it certainly is.

Has the State Department given you the social program yet?

Q Yes, it has.

THE PRESIDENT: That is the only news of any real importance that I know of. I will tell you what there is today. If I were writing a story, here is the way I

would put it: I don't know whether you can hear me at the back of the room - my voice isn't particularly strong this morning, since I have a cold. If I were going to write a story, I would write it along the lines of the decision that was actually taken last Saturday, but which really actually goes into effect today, by which we, the Government, will not allow the exporting of gold, except earmarked gold for foreign governments, of course, and balances in commercial exchange. That is for straight movement. If you want to know the reason why, I think the best exposition of it was by Walter Lippman yesterday morning.

In other words, the whole problem before us is to raise commodity prices. For the last year, the dollar has been shooting up and we decided to quit competition. The general effect probably will be an increase in commodity prices. It might well be called the next step in the general program.

Q In other words, let the dollar take care of itself?

THE PRESIDENT: Yes, let the dollar take care of itself

and seek its own natural level instead of trying artificially to support it.

Q This policy would raise prices here at home. On the agenda of the International Conference there is an item for raising prices all over the world.

THE PRESIDENT: Right.

Q Can you give us any background on how that will be done internationally? By your policy it would be done nationally, but how would it be done internationally?

THE PRESIDENT: Of course, this really is a constructive move in the sense that it puts us in the same position with nearly all the other nations of the world. We start on the same footing and because we are such a large nation, it ought to increase the necessity for all nations getting together on a more stable basis.

Q Yes?

THE PRESIDENT: It is a constructive move. It is a little bit like what happened nationally. What we had to do last March was to clear away the dead wood. We had been heading for a bank smash-up for a long time and what we did was a drastic thing, which was to clear away the dead wood and start afresh. Now, this is

along the same general line. It puts us on a par with other nations and it is hoped eventually that it will aid somewhat to raise prices all over the world. However, as to what the actual details of that will be or the methods to be pursued, we don't know yet. There have been half a dozen different suggestions made. That is one of the things we are talking about.

Q Can you explain the process by which this would tend to raise commodity prices here at home?

THE PRESIDENT: Here is a simple illustration: There are a good many commodities which are sold in terms of world trade. Well, for instance, cotton. Cotton is sold on a gold basis and, with the dollar where it has been, it works out to a certain number of cents. Therefore, if the dollar were to sell off 10%, the price of cotton in terms of dollars would go up 10%.

Q Mr. President, you said the decision was reached Saturday. Haven't there been some licenses to export gold since Saturday?

THE PRESIDENT: No, that is purely a mechanical thing. In other words, the only licenses that have actually been issued since Saturday were those which had been verbally

okayed for export before Saturday.

Q Have you any other ideas in mind on this so-called inflation or reflation as to the steps to be taken?

THE PRESIDENT: Nothing else. I think on the general subject, it is awfully difficult to particularize and I don't see how I can write an intelligent story and I don't see how you can.

It is a little bit like a football team that has a general plan of game against the other side. Now, the captain and the quarterback of that team know pretty well what the next play is going to be and they know the general strategy of the team, but they cannot tell you what the play after the next play is going to be until the next play is run off. If the play makes ten yards, the succeeding play will be different from what it would have been if they had been thrown for a loss. I think that is the easiest way to explain it.

Here is a team that has a perfectly definite objective which is to make a touchdown so far as commodity prices go. The basis of the whole thing really comes down to commodity prices. And, this is entirely off

the record, the general thought is that we have got to bring commodity prices back to a recent level but not to the 1929 level, except in certain instances. Well, you take for instance city real estate in 1929. Then it was altogether too high and you ought not to bring city real estate back to the 1929 level. That is obvious. On the other hand, farm commodity prices were comparatively low in 1929 and have been going down rather steadily for five or six years. So that it has got to be a definitely controlled inflation because the man on the street does not understand it any more than the average banker understands it. It has got to be a controlled price level.

Q Mr. President, is it still the desire of the United States to go back on the international gold standard?

THE PRESIDENT: Absolutely; one of the things we hope to do is to get the world as a whole back on some form of gold standard.

Q Can you tell us any of your plans for the opening up of closed banks?

THE PRESIDENT: Mr. Woodin is going to talk with the Federal Reserve people about that today. I don't know what the

details are.

Q Is it all right for us to use that line about controlling the price level? You had been speaking off the record.

THE PRESIDENT: Yes, I think you can use that with the very definite thought in mind that we have got to raise the price level but, keep it from going too high.

Q You spoke of some form of international gold standard. Does that imply the possibility of a lower gold content in the monetary units of the world?

THE PRESIDENT: Well, I would not put it that way. One of the things they are talking about - the economic end of the conference - is a different gold ratio - a different gold reserve to currency. You see, at the present time, the old standard was 40% and there is talk of changing that ideal 40% standard, which was the old ideal, to something else.

Q Would you describe this as another step toward a controlled or managed currency?

THE PRESIDENT: Currency? Yes, but I think you ought to couple with that the effort to get a more controlled credit, because the two go hand inhand.

Q The public works program will fit in this general campaign sooner or later, would it not?

THE PRESIDENT: Oh, yes and, by the way, entirely off the record, do not write stories about five or six billion dollars of public works. That is wild. In other words, the public works program will be as much as we can use-fully use between now and next spring. There is no use attempting to go ahead with a public works program, with a project which will require all kinds of engineering in the first instance and with the actual employment unable to start for a year. What we want is the type of public works that will put people to work immediately - get them to work as soon as possible.

Q Is that off the record?

THE PRESIDENT: I think you can use that.

Q That won't be so much, then.

THE PRESIDENT: It won't be five or six billion dollars.

I have no idea, but it will not be anything like that.

Q It won't be much more than a billion?

THE PRESIDENT: We are looking over the field and seeing how many public works there are that are practical, useful, self-sustaining as far as possible and can be started quickly. There is a limit to that.

Q Where did you get your cold?

THE PRESIDENT: I don't know; I think I got it from talking too much.

Q Anything on railroads today?

THE PRESIDENT: Railroads? No. I talked about it yesterday with Secretary Roper and several others. I suppose I will send something up on it in a few days.

Q This week?

THE PRESIDENT: Yes.

Q Is there anything on the Glass banking bill?

THE PRESIDENT: I don't know; what is happening on that?

Q All your moves are being made with the idea of preventing the printing press currency?

THE PRESIDENT: All the moves?

Q Yes.

THE PRESIDENT: No, of course we are not going to have printing press currency.

Q Along with that, are you going to say anything about the campaign for changing the gold content of the dollar?

THE PRESIDENT: No, because that is a thing that has not even been discussed. Of course, that probably might come in - I would rather have it off the record because

it is so far in the dim, distant future - it might come in as a partial component part of an international program, but it is pretty far off, even in the discussion stage.

Q Could you tell us how soon we will get the reciprocal tariff bill?

THE PRESIDENT: No; I have not heard of it for two weeks.

Q Have you given any thought of going to Chicago for the World's Fair?

THE PRESIDENT: I promised to go, if I can.

Q Have you made up your mind as yet?

THE PRESIDENT: No; I intend to go unless I get held up by something else.

(The press conference adjourned at 10.53 A.M.)

CONFIDENTIAL
Press Conference #14
Executive Offices of the White House

April 21, 1933, 4.08 P.M.

Q Does your cigarette taste any better? (Laughter)

THE PRESIDENT: It is all right now.

We will have to get a bigger room pretty soon. (Referring to the number attending the Press Conference)

I don't think there is any news today except what you all know about. The news is really going to be from five o'clock on. I will receive the new German Ambassador at five o'clock and then the Prime Minister arrives at five-thirty and then from then on, there won't be any news. (Laughter)

Q How is the football game coming along?

THE PRESIDENT: It is coming along all right.

Q Fine.

THE PRESIDENT: We made ten yards on the last play. That is the first down.

Q What is the next play?

THE PRESIDENT: I have been talking to Steve about the handling of the news during the course of the next four or five days. This is just between ourselves and in the family. I think probably the easiest way to do it and the best thing all around is to handle the foreign end

of it -- any foreign news -- with either statements by Mr. MacDonald, or Mr. Herriot, or Mr. Bennett or by formal statements from Secretary Hull or me. In other words, that we should not have a round-table discussion about foreign matters when the heads of foreign governments are here. I think it is better all around to keep it more or less formal. Of course, that does not mean that we cannot speak about domestic questions in the same family way we have been doing it before. I think that is the best thing.

Q Will you get right down to business tonight with Mr. MacDonald?

THE PRESIDENT: It depends on what you call business.

Q Just what is your program?

THE PRESIDENT: Just going to have a nice, family party this evening.

Q Who is going to be there?

THE PRESIDENT: Two Roosevelts and two MacDonalds and that's all. (Laughter)

Q Could you tell us what you intend to take up with Mr. MacDonald?

THE PRESIDENT: Well, ships and kings and sealing wax and things like that.

Q You can't get down on page one with that. (Laughter)

Q There have been certain reports on the Hill that the necessity of the Farm Bill and other legislative measures which are on the legislative program will be altered by the program you outlined in your last conference?

THE PRESIDENT: No, not a bit. In other words, here is the way I would put it if I were writing the story: The increase in commodity prices which the forbidding of gold exports has brought about and which we hope it will continue to bring about through further increased farm commodity prices, will probably eliminate one of the objectives, if we are successful through this other means. However, while it will eliminate one of the objectives of the Farm Bill, it does not eliminate any of the other objectives, such as the control of surplus production and it is perfectly obvious that it is just as important to curb over-production the balance of this year and next year as it is to keep farm prices up because, obviously, if everybody goes to planting 25 per cent or 30 per cent more acreage, it is going to cause a reduction again in farm commodity prices.

In other words, frankly, it seems to be to the best interests of every farm producer not to increase acreage, because the more he increases acreage the more it means that by next year he is going to cause again a slump in

his own commodity prices. That is why the Farm Bill is still just as much of an essential as it was before.

Q Do you think the necessity for the excise taxes would remain?

THE PRESIDENT: It depends on which method is followed.

Q In that connection, a horizontal increase in prices would not help out the disparity between agricultural and industrial prices, would it?

THE PRESIDENT: Not necessarily. As you say, disparity is the right word for it. Industrial prices and agricultural prices could go up in the same proportion and you would still have a disparity that ought not to exist.

Q Have you had time, with all this gold and inflation, to consider reorganization? Mr. Roper was over here.

THE PRESIDENT: He took it back four or five days ago for correction and he brought it back five minutes ago. I have not looked at it.

Q Do you care to discuss your meeting with the Federal Reserve Governors?

THE PRESIDENT: No; they just came in and I thanked them for what they had done the previous months.

Q Did the question of opening the banks come into your discussion?

THE PRESIDENT: No, they were only in the room about three minutes.

Q Is there any comment you can make on the plan that Senator Bulkley and Mr. Julian of Ohio suggested yesterday?

THE PRESIDENT: Oh, about helping people to go back on the farm?

Q To help them go back on the farm and to decentralize industry?

THE PRESIDENT: No, I am not ready to discuss it yet. It is one of the things you all know I have been very much interested in. It is what I call the over-balancing of population in the cities. We are studying to see if we can find some method of letting farm families which have come to cities and want to go back to the farms -- of enabling them to get back onto good land. Senator Bankhead has been studying it and has a bill in already, but we have not arrived at any definite plan as yet.

Q To go back to MacDonald's visit again, is there any likelihood of a formal statement being issued tonight, that you know of?

THE PRESIDENT: Not by me.

Q Is there any possibility that you might give Mr. Early something for us after your first talk with the Prime Minister?

THE PRESIDENT: It will be along the lines that we are sitting around the fire and chatting; that is about all.

Q Do you not believe that our action regarding gold makes the monetary situation the most important topic that you will have in your conversation?

THE PRESIDENT: No; there are a great many important topics. I don't know of any particular one. We are going to settle as many as we can simultaneously.

Q Have you any more ten-yard plays in mind right away?

THE PRESIDENT: There is one up in Congress at the present moment.

Q What is that?

THE PRESIDENT: The Thomas Amendment, which I regard as very, very essential.

Q It is being discussed in the newspapers as a move to act as a lever --

THE PRESIDENT: I can tell you, off the record, on that -- I will have to tell you off the record because I simply had no thought of it at all. As a matter of fact, and again off the record, the problem we faced last week -- this is what I think I told you Wednesday morning -- the problem last week was one of going ahead and protecting the value of the dollar. Mind you, this is off the record. Protecting the value of the dollar was one of the proposals, and it meant experimenting with it to the tune of 100 or maybe 200 million dollars, a pretty costly experiment. It might have worked and, if it did not work,

we might be right in the middle of these conversations. It seemed a great deal better not to risk losing that money but, rather, to take the bull by the horns. It had nothing to do, of course, with the fact that we had delegates coming from different nations all over the world.

Q At the Capitol this afternoon, one of the Senators asked several of his colleagues whether they could say how much currency expansion is possible under this amendment to be presented. Have you computed that?

THE PRESIDENT: No, I have not. I could not tell you offhand what would be possible.

Q Six billions, could it not be six billions?

Q It could be more than that.

THE PRESIDENT: Yes, but that is awfully speculative. In other words, it is a little bit like it was on the twelfth of March -- on the ninth of March, when the first bill went through Congress authorizing this new money. Theoretically, it made it possible to issue almost any amount. Actually 39 millions was issued and half of it has come back, so it is not worth putting down.

Q Mr. President, Joe Robinson said on the floor a few minutes ago that if this Thomas Amendment were not passed before the Economic Conference began, its whole purpose would be

defeated. What can he have meant by that?

THE PRESIDENT: I don't know.

Q I asked that in connection with the question. It gave me the impression out there that you wanted this thing --

THE PRESIDENT: I think I can answer that, again off the record. It seems fair for everybody concerned in these economic conferences with other nations to know what we are going to do. In other words, to know what authority Congress is going to give me instead of having it dragged out. I cannot announce to them any policy that requires the sanction of Congress without getting the sanction of Congress. But, by being acted on at the present time, it makes it clear to all other nations as to what authority I am given.

Q Mr. President, don't you think you can say that for background?

THE PRESIDENT: No, I think you had better use that off the record.

Q Since these are merely preliminary, you would not need that until before the general conference, would you? It is not essential, I mean.

THE PRESIDENT: Well, perhaps not essential, but very helpful.

Q If they have dealings?

THE PRESIDENT: Yes.

Q Is this like the Farm Bill, where you have taken five or six different agencies and many forms of power that you may or may not use? Is this the same thing?

THE PRESIDENT: You mean the Thomas Amendment?

Q Yes, sir.

THE PRESIDENT: Purely discretionary.

Q In your mind, is that the purpose?

THE PRESIDENT: Yes, that is the purpose.

Q You do not have to use any of them?

THE PRESIDENT: I do not have to use any of them.

Q Could you elaborate a little bit about the plan that might be adopted with respect to the Farm Bill. You said it depended on what plan would be adopted as to whether excise taxes would be imposed?

THE PRESIDENT: No, I cannot. It is too complicated a subject. If we had Henry Wallace here, he could make it a good deal clearer than I have.

Q When are you going to give the Railroad Bill to Congress?

THE PRESIDENT: I am too busy to write a message. It is all done.

Q Are you going to discuss reciprocal treaties while the conference is in progress?

THE PRESIDENT: That we have not got any further with than two weeks ago.

Q It probably won't be done for a couple of weeks?

THE PRESIDENT: It probably will not be done for a couple of weeks.

Q Can you tell us about your plan to retire 4,000 Army Officers. Has that been worked out in detail as yet?

THE PRESIDENT: No, I have forgotten what the exact provision is. Did you say 4,000?

Q It was 3,000 or 4,000 in the papers.

THE PRESIDENT: Three thousand -- I think it is three thousand. A good many of them will be used in these camps -- quite a lot. .

Q Will they be retired for age limit?

THE PRESIDENTŁ Not necessarily. You know, there is nothing new in this. If you go back in history, after the War of 1812, both the Army and Navy had more officers than they could usefully employ in times of peace and they used to furlough them for a while. It was not permanent retirement but they would furlough them on half-pay. A lot of our Navy officers, particularly Civil War and Navy officers, at one time or another were furloughed when they were Lieutenant Commanders and Junior Captains. It does not separate them from the service.

Q That is the present plan?

THE PRESIDENT: That is what I understand.

Q It does not apply to the Navy and Marine Corps as well as the Army, does it?

THE PRESIDENT: It already applies to the Navy, not the Army. I cannot tell you about the Marine Corps -- I cannot tell you whether or not it applies to them.

Q How about the retirement of employees after 30 years of active service?

THE PRESIDENT: Steve had a statement on that.

Q He had a statement, but that was to the effect that it was purely discretionary?

THE PRESIDENT: Yes. What I would like to have done is to allay the fear of the people who have been 30 years in the active service of the Government that they are going to be thrown out. It is a perfectly natural fear. I discovered that it applied to Pat McKenna and Rudolph Forster and two-thirds of the White House staff, so you can now say it will be discretionary and I think not used to a very large extent.

Q Do you intend to use this Farm Bill to release any of the winter wheat crop in the southwest that starts in about a month?

THE PRESIDENT: I don't know, I could not tell you.

(The Press Conference adjourned at 4.22 P.M.)

PRESS CONFERENCE - PRIME MINISTER RAMSAY MacDONALD
HELD IN THE PRESIDENT'S OFFICE
FRIDAY, APRIL 21, 1933 - 6.35 P.M.

The Prime Minister: How do you do? I think some of us have met before, have we not?

Mr. Durno: Yes. There is quite a large crowd, Mr. Prime Minister; they will all be in in just a second.

The Prime Minister: Yes. Well, I am very glad indeed to see you again. Will we come to an agreement with each other? Please do not quote me verbatim because I make it a rule that when that takes place I must always see the copy before it is printed and that is much too great a bother to you and, besides, I am not going to say anything that is worth quoting. (Laughter).

Well, you understand that I have only just set foot again in America this forenoon and it would quite obviously be most improper for me to make any statements whilst I am still full of innocence. (Laughter) I must know a little more before I venture to make statements. And I am sure that you understand quite seriously that the importance of my meeting your President now is so very great -- not merely for your country and for mine, but for the whole world, -- that any one occupying my position must be very, very careful that a loose word or an ill-considered sentence is not going to make misunderstanding and difficulty for the final success of our meeting. My experience with the American journalists has always been that they are faithful copy-writers when you are perfectly honest and straight with them. Sometimes, in other quarters, I have heard how difficult the American

journalist is. I always say I have never experienced that. Some one else might have but that has never been my experience and I am sure that an old experience of mine is going to be repeated on this occasion. Well, now, what can I say to you?

Q. Mr. Prime Minister, is Great Britain prepared to cooperate with the United States in restoring --

The Prime Minister: If you wouldn't mind -- just one minute. What can I say to you? Whatever I say to you must be prefixed by an expression of most sincere pleasure in meeting you all again.

You know the purpose of the conversations -- the great purpose of the conversations. It is in a sentence to try, with the President and myself -- with others -- with other nations -- to try and find some sort of solution for the most extraordinary and very, very tragic breakdown of our economic mechanism. The farmers and some of the very best types of human beings -- and certainly some of the hardest working and most honest of men and women. Our skilled mechanics -- I know them so well -- I can sit by their firesides and talk to them as man to man. Their skill is great; their thrift is magnificent; they are self-respecting and their uprightness is beyond reproach. They have been saving; they have been men and families of most exemplary character, yet they with their families are today in a state of dire distress. There must be something wrong when that is true.

It is not a national problem. Of course, nations can do a good deal to elevate it within their own boundaries, but what we have all got to get into our heads -- you of America, we of Great Britain, is this: That no nation can solve it of itself. We have got to lay

our heads together as friendly cooperators, and that is why I have come here and why your President has invited me to come here and why I have come here on this occasion.

We want to discuss together the calling of this international conference which is going to be held and more clearly define national problems and the situation which I have just described. We want to consider how those problems can be solved. Why is it that the international faith of the world is shrinking and shrinking and shrinking? There are a great many of us, those in particular described by Abraham Lincoln as people for whom God must have had a special affection because he has made so many of them, who really work for a living, some by muscle, some by brains, some by imagination -- the man or woman who writes a great poem that inspires us to good life and great deeds is as much a producer in the world as the man who by the exercise of his muscles takes coal from the bowels of the earth and sends it up so that it may be available for our grates. Why is it that the exchange of goods, the volume of international commerce upon which we have to live, is getting smaller -- smaller -- the stream is getting shallower and shallower? God didn't mean that! It certainly must be a mistake on the part of man.

We are going to talk about that during this week-end. As I said, I don't know that at the moment I can say very much more than that. I dare say there will be other subjects -- I don't like -- you certainly are not to quote this now, but somehow I feel very fond of your President. I have got a sort of feeling that <u>there</u> is a good colleague with great spiritual power. And what can we do in public life without sincerity and spiritual power? A lot of people think that politics is a somewhat degrading occupation. Rubbish! -- rubbish! It is

the most elevating of occupations. I call it service. It is the most elevating service that any man or woman can be called upon to perform. It all depends on the spirit in which you do it. Some of us come from very humble origin - haven't forgotten and never will forget - and using their influence and authority in order to place people where they can put their energy to useful purpose. What better service can we give to the community? And I believe that is the spirit of President Roosevelt, who is now my host. I say, "Don't quote that", for I am just talking to friends, talking to men and women with whom I should like to come into a personal understanding so that if you damn me, your conscience will trouble you in doing it. (Laughter) I know -- I know perfectly well. I whirled a pen myself and probably, when these hectic days have gone over, I may have to return to it and I shall do it with a great deal of pleasure if I do. So I know the insides of newspaper offices. I know that newspapers will oppose and object to things, but I should like, especially on this matter, which is not a parliamentary matter, which is not a sectional matter, which is not an American matter, which is not a British matter, that the critical press should be seized with the determination to help. Because if we could only get that -- but don't make any mistake about it, it is going to be very difficult, but we will. When we went through a crisis in Great Britain a little over a year ago -- getting on to two years ago, what did we do? We said that all those things that are petty and small minded and partisan must go. We have fought, but now for the time being a truce to this pettifogging partisanism and I am glad to say that every newspaper of any reputation in the country responded -- I say every newspaper of any reputation.

My friends, it calls for a union of nationalities. Not that we get in alliance with each other -- not that we get tied up one to another -- not at all. But it is a union of nationalities, appreciating the nature and importance of the problems and laying their heads together in order to find common ways to get commonly held solutions. My friends, we hope so to do it.

I am not going to say any more because I am going to speak tomorrow at the Press Club and by then I shall, perhaps, have been able to find my bearings a little more. This is only just a "How do you do?". This is an introductory -- a re-introductory to many of us -- shaking of the hand. If you would like to put questions I hope you will be discreet (laughter). If you are not discreet, I can assure you that I shall show you a very good example. (Laughter).

Mr. Boettiger: May we put one very discreet question? Will you discuss war debts with the President?

The Prime Minister: The question of debts is one of those things -- one of those features in the landscape that we have got to survey.

Q. Have you any suggestion to make to the President in your discussion of the debts when you survey that far?

The Prime Minister: That I don't know.

Q. Do you think it would be indiscreet to ask if Great Britain is prepared to cooperate with the United States in the restoration of the monetary standard based on a reduced rule?

The Prime Minister: You have not put one question; you have put a dozen. (Laughter) The United Kingdom has been hoping for a long time for the opportunity of considering with other nations how best to establish stability in monetary systems.

Q. Will you discuss the stabilization of Sterling - (inaudible)

The Prime Minister: We have been trying for a long time to give more stabilization and certainty to money.

Q. Can you tell us your idea of some things that might be done to meet present problems?

The Prime Minister: Not at this stage. You see, we have come to just exchange views -- especially myself. I am your guest. You see, I am your guest and I must behave as a guest. But I can assure you all that there is going to be no holding back. No holding back. We are going to pull what is in our heads, whatever it may be and whatever value it may have.

Now, during the time I am here -- it is only just this week-end -- as you can imagine, there is a tremendous amount of work that has to be done in London and it is not convenient to be away long, so I am really only going to spend, much to my regret, what we call at home a "long week-end". A long week-end is from Friday to Tuesday and I am afraid that is about all I can spend here -- as I say, very much to my regret. But during that time my friend, Mr. Wright -- I think probably some of you know him, he has been in Washington before -- he will be the liaison officer between and I am sure he will help you with information in every possible.way. I think he would like to say something to you before we part this afternoon.

Q. Might I ask this question? I think it is timely. In your opinion, is there any intrinsic validity in the criticisms -- we have cables reporting the editorials in London papers as criticizing the monetary policies of the United States -- the motive because of the effect on the proposed conversations.

The Prime Minister: Well, I have seen nothing -- I have seen nothing. What you might call the crisis - the change, took place while I was on the Berengaria and I cannot say. I have read no newspaper. It is literally true that I have read no newspaper. I will try to do it tonight before I go to bed or after I get to bed.

I am quite willing to say this: All this talk about conveying enmity - it is not in my heart - it is not in the hearts of my colleagues nor the British Government. If little bits have cropped up, well, we are all human - but even that is not in my heart and I am sure it is not in the hearts of my colleagues. Realize that we are going through a very difficult crisis and do not let us begin to say - do not let our people say the U. S. have been working under some curious policy and do not let you say that we have been working under some curious policy. I can assure you - I certainly can speak for ourselves. It is not true - it is not true. It does not exist.

Now I think I will leave you in charge of Mr. Wright. I had a rather tiring day.

(Discussion about pictures)

Well, so far as I am concerned, I have no objection to a photograph being taken in this room of my friends and myself. (Pictures)

I was just going to say that so far as I am concerned I am standing at this particular spot on the instructions of the President who wished me to interview sitting in his chair and standing at this desk. So you see, we are getting on (applause).

I am very glad to be photographed here with you and I talked very sincerely.

Thank you. Thank you so much for coming here.

(End)

PRESS CONFERENCE - PRIME MINISTER MacDONALD

The President's Office, April 26, 1933 - 10.10 A.M.

The Prime Minister: Good morning. Well, I brought good weather and I have left good weather. I think that ought to be reckoned in in whatever settlement is going to be made between us. How much value do you place upon a good day? You had better credit me with that. Are you all in?

Mr. Wright: Not quite in.

The Prime Minister: Time is flying so fast - all in yet?

Mr. Boettiger: All in.

The Prime Minister: Well, I am very sorry to leave you again. It seems only an hour or two since I said "How do you do" to you just after I arrived in Washington. I think you have been so admirably served by our press men behind us that it was unnecessary for you to see me myself, and I should like to thank you for the fine help you have been to us. I would like to thank our press experts for -- and I think you perhaps will join me in this -- for the way they have placed themselves so unreservedly at our disposal. The success of our conversations has depended very largely upon that admirable body of experts who, with great patience and great knowledge and unlimited good will for each other -- both sides -- have worked away to advise possible ways of coming to agreements when the time arrives.

You will remember I told you that I was not calling to come to agreements -- to draft papers and sign them so that the last word had been said. I have kept my promise, my friends, we have not done that -- we have never tried to do it. This has been preliminary conversation --

just like when you are going out on some big expedition you send scouts ahead to see what is the best trail for you to take and to see how far the ground will enable you to carry out your purposes. Well, that is what we have been doing the last two or three days and I think — though I have had many experiences that between the cup and the lip there are many slips -- I think that I can say to you, without any reservation at all, either in my heart or on my lips, that these two or three days of friendly, pleasant conversations have been fruitful in a way that I hardly imagined would be possible when I came. But still -- and I repeat it -- no agreements, no settlements. I leave your President as free as he was when I found him and he lets me go home to see my own colleagues in the British Empire as free as I was the day I left them -- that is the day before I sailed for New York.

But, nevertheless, it has been real good business we have done — real good business. I am very glad that I have had the pleasure also of meeting Mr. Bennett down here. It was absolutely impossible for me to get to Canada at this time. You saw this morning that yesterday was our budget day, and the Prime Minister's supreme duty is to be at home whilst the budget is being discussed and settled in the House of Commons, so I am hurrying back. I must hurry back in order to be there with as little delay as possible. So I couldn't go to Canada and I hope the Canadian journalists who are present will convey to their readers my profound regret that fate has been against me on this occasion but that I still remember my pledge to go to Canada on a holiday. In the meantime, I am very glad indeed that I am having the opportunity of talking with Mr. Bennett.

Now, I would like to put it to you this way: I came here as - apparently as a Minister of Great Britain and as the destined - perhaps for my sins, because it is going to be no easy job - Chairman of the International Economic Conference. The burdens and the worries of both offices were lying in a most terrible way on my back when I saw you last. I am going away as a friend, for I am taking away with me a memory of a most genial man, who is your President, and a really friendly crowd representing, I hope - I flatter myself by hoping - representing the spirit of the American people.

I have learned more clearly than I knew before of the difficulties of the American Government - the American nation - and I hope that in return for that you folks and your Government appreciates perhaps a little bit more vividly the great troubles and the great difficulties that I have to face as Prime Minister and my colleagues have to face as responsible cabinet ministers.

We are going away leaving behind us and taking away with us a closer understanding than before. We understood each other at a little distance off. We now understand each other, as it were, elbow to elbow. You know the human difference in that and, believe me my friends, the very highest diplomacy and the most accurate and searching diplomacy always take into account the value of personal and human understandings between both sides. I think we have got that as the result of the conversations.

It therefore has come to this: That we have got above and beyond mere market haggling and foggling. We are not going to cooperate in finding solutions of the great troubles of the world if we

maintain ourselves in the position of mere bargainers. "I will give you six pence in silver if I am perfectly certain that you are going to give me six coppers." Bah! That is not the way of going to work together. That is not a way we are going to live together. That is not the way we are going to aspire and achieve together. We have got above that. We have got to an understanding now. There is to be a real human understanding and the bargains we want and the exchanges we want are the bargains and exchanges which will make us both - both separately and cooperatively - more efficient in removing the burdens that are oppressing the world at the present moment.

We are also - and this is the last I want to say - we are also going away not only convinced of the fact that we hope to come to an agreement - we are going away with a greater thought than that - we are going away with a determination we are going to come to an agreement because it is our moral duty to come to an agreement; that if we don't come to agreements, - I am only telling you what I have been trying to do. I said "we"; there are others here and "we" includes, in one's throat even though not in one's language. But can you imagine what is going to happen if America and Great Britain cannot devise a means of marching side by side? No alliances! Don't you have any fear of that. No entanglements! We are not going to be brought into the maelstrom of Europe. You are going to remain where you are, but no man lives to himself alone. The man who is strongest and most independent is the one who has stretched out his hand to somebody else and grasped it. That is the idea that is in my mind and I think - I think we have got. I think we have got it.

And you have been awfully good in helping us to get it, and with all the gratitudes that I take away with me - I believe in about an hour and a half - I am sory but it is true - but amongst all the things I am going to take away with me - not in my luggage but in my heart - one of the strongest of them will be my gratitude to the American Press, whom you represent here today.

Well, I hope we will meet again. I cannot bear to think that this contact is not going to be a continuing one. I hope that your President will be spared many years of life to give us opportunities for these meetings and I can assure - I can assure him through you that every opportunity that comes to me to go out in your woods, to go down your river, I will fly to take them.

So, my friends, goodbye for the time being. (applause)

(Few words about press release) (applause)

End - 10.20 A.M.

CONFIDENTIAL
Press Conference #15
Executive Offices of the White House,
April 26th, 1933 - 4.07 P.M.

(M. Herriot was present as were the French correspondents who had accompanied him and the English correspondents who had accompanied Prime Minister MacDonald.)

THE PRESIDENT: I am very glad to see all of you, especially those who are here from France and from Great Britain.

Just for your benefit, I perhaps might mention that nothing that is said in these conferences is for quotation.

I think that the only news is that Mr. Herriot and I have had a very satisfactory conversation this morning and that the talk is going to continue and that we are getting on very well. The only addition I can make to that is that my French is improving.

(Laughter)

Q Mr. President, what of these reports that you are considering the possible abandonment of some of the rights of neutrality in order to satisfy the demand for security?

THE PRESIDENT: Of course, off the record, I am not respon-

sible for any reports unless they come out in the form of official communications.

Q Tell us what you have been talking about with Mr. Herriot.

THE PRESIDENT: Well, I think that it is fair to assume that so far, the principal substance of the conversation has been disarmament. As you know, the disarmament conferenee resumed in Geneva yesterday, but I think probably that most of the news of the conference will emanate from Geneva and not from Washington. I think you can assume that both the French and the British and ourselves have been in fairly close touch with Geneva during the past twenty-four hours.

Q The afternoon papers are carrying a story about Norman Davis coming out for the consolidated ticket in all particulars at Geneva; is that true?

THE PRESIDENT: I don't know; we have not heard from Davis at all.

Q Do you care to state your ideas on that?

THE PRESIDENT: No. You see, as a matter of politeness, the International Conference is being held in Geneva and anything pertaining to the Conference should come from there. So far, in Washington, we have only had

consultations with the British and French. It is merely a matter of politeness that the news should come from Geneva and not from here.

Q Has the debt question been discussed so far?

THE PRESIDENT: No.

Q Daladier, the French Premier, is quoted as saying today that if the United States grants a postponement of the June 15th payment, France will be glad to pay the December 15th installment.

THE PRESIDENT: That, literally, is true. We have not discussed it in any way.

Q When are you going to send your railroad bill to Congress?

THE PRESIDENT: As soon as I have time to turn around. I frankly have not had any time to look it over. I doubt if it comes up until Saturday or Monday.

Q Up on the Hill there is a movement on today for the cash payment of the bonus. Do you care to say anything now?

THE PRESIDENT: No.

Q Are you and Mr. Herriot going to have an announcement after today's meeting?

THE PRESIDENT: We have not got to that yet. What do you think, Mr. Ambassador or Mr. Under Secretary? I don't

know that we really need an announcement. I think you know as much now as I would be able to give out in an announcement today. We are still in a preliminary stage. The French experts and the American experts are hard at work with each other and we have not seen them since yesterday.

Q They are working on the economic problems?

THE PRESIDENT: Yes, on the economic problems - monetary and tariff.

Q May we expect a statement on the subject of international exchange within the next week?

THE PRESIDENT: I don't think -- this is off the record, just for your information -- I don't think that there will be any formal statement on international exchange because we still have to have conversations with a good many other nations. The Italians are coming next week. The Germans are coming next week. Also we have people coming from the Argentine; the Japanese are on their way or, rather, the Chinese are on their way because I don't think the Japs have started yet.

Q Has the date for the economic conference been fixed as yet?

THE PRESIDENT: Bill, are we at liberty to say anything on that? No, that is supposed to come out of London. There again, I think we know about it pretty well - the French Government, the British Government and most of the other governments know about it but, as a matter of courtesy, it should come from the Chairman of the Organizing Committee, Sir John Simon, so we cannot make an announcement at this end.

Q Have you reached any decision as to the personnel of our delegation?

THE PRESIDENT: No, I have not taken it up at all.

Q Can you tell us anything about the public works program?

THE PRESIDENT: I haven't talked to Miss Perkins for three days and to the Secretary of the Interior for four days.

Q Do you mean the construction program?

THE PRESIDENT: Yes; I have not talked to any of them. There is a committee that is working on it.

Q Can you tell us anything about the conversations with respect to the Canadian Minister? Can you tell us whether they will involve trade agreements and the St. Lawrence River?

THE PRESIDENT: I cannot tell you. You are about twenty-four hours ahead of time. Prime Minister Bennett

and I are having our first talk tomorrow morning at ten o'clock.

8 Q Do your football figures apply to the extent they did as to the amendment before the Senate?

THE PRESIDENT: We made, I think, three or four first downs, one after the other, with ten-yard gains. That is pretty good. But, it is a long field.

Q What is the next play? (Laughter) Is there any chance for a field goal? (Laughter)

Q Along that line, do you know whether the Federal banks have gone into the market yet - open market operations?

THE PRESIDENT: I don't think so; not as far as I know. What is the news about the bill on the Hill?

Q This phase was brought up and it is rather doubtful if they got to a vote on it.

THE PRESIDENT: How about the subscriptions to the bond issue? Has there been any announcement on that?

Q The short-term issue was oversubscribed, I understand.

THE PRESIDENT: They haven't any figures out yet?

Q No.

Q Any comment on the general subject of inflation?

THE PRESIDENT: No. We have never yet defined it, you know.

We would have to have a special session to define it first.

Q How about expanding the credit before you try expanding the currency? Are you going to experiment with expanding credit first?

THE PRESIDENT: That is a terrible "if" question.

Q That is the first thing you are authorized to do?

THE PRESIDENT: That is a speculative question, you see, and I hate speculative questions.

Q Any success with Eugene Meyer?

THE PRESIDENT: No, I have not found anybody.

Q How about the R. F. C.?

THE PRESIDENT: No, still looking around.

Q May I ask whether stabilization of currency is prior to stabilization of markets in your plan?

THE PRESIDENT: Gosh, that sounds like the Baltimore Sun. (Laughter) Is it Fred who asked the question?

Q (Fred Essary): No, sir; Mr. President, I am keeping very quiet. (Laughter)

THE PRESIDENT: Stabilization of currency to go ahead of what?

Q Stabilization of markets.

THE PRESIDENT: I don't know. I should say, off the record, the best answer is that they should be considered a pair of dice (?) which we hope will grow at the same rate during the coming year. (Laughter)

Q Would you ask Mr. Herriot for us, in your improved French, if he is going to have a press conference today.

(The President asked Mr. Herriot in French and Mr. Herriot indicated that he would not have a press conference.)

Q Have you used the long-distance phone here this afternoon?

THE PRESIDENT: No.

Q How do you figure your legislative program for this session of Congress? Is the railroad bill the last thing you had in mind?

THE PRESIDENT: I should say, for your information and off the record, that that is about the last message - the last new thing that will go up except, of course, the possibility of resolutions later on in relation to tariff and also, possibly, in relation to debts, but that is purely speculative at this time because we haven't got to it. But, as far as the actual legislative program is concerned - as far as I can tell now, there is only one more major thing going up and

that is railroads.

Q Can you indicate what the tenor of the resolution on debts will be?

THE PRESIDENT: Resolution on debts? That is speculative yet. We haven't come to that.

Q What kind of a resolution should we speculate on?

THE PRESIDENT: Don't. (Laughter)

MR. DURNO: Thank you, Mr. President.

(The Press Conference adjourned at 4.22 P.M. Immediately thereafter the President shook hands with the French and British correspondents. Having spoken to the British correspondents the day before, the President addressed himself to the French correspondents as follows.)

THE PRESIDENT: I want to tell you all one story about the conference which I had with the French press in July, 1918. M. Clemenceau felt that it was time in 1918, in the summer, to tell the world all about how we were stopping the German submarines. So, at the Meurice Hotel in Paris, I had a conference with the French press at eleven o'clock in the morning. I proceeded

to tell them what the three governments, the French Government, the British Government and the American Government, were doing about submarines. When I got through, I said, "Now, gentlemen, if you want to ask me any questions, I will answer the questions as long as it is not a secret matter." Thereupon one of the editors said to me, "Is it the custom in the United States for the members of the Cabinet to answer questions from the press?" And I said, "Yes, it is the custom in the United States for the members of the Cabinet to answer questions from the press." Whereupon everybody exclaimed and they wanted to know all about it, and I explained our custom here where every member of the American Cabinet receives the press twice a day and they thought that that was perfectly wonderful.

The next morning I had an appointment with Clemenceau and when I came into the room he came forward and he said, "You have caused my Government to fall here, right in the middle of the War and before we have the War won. You will make my Government fall." I said, "What have I done?" He said,

"You told all the French press how they were received by the American Cabinet and now they have come to me and demanded that all my French Cabinet should receive the French press twice a day and," he said, "before we do that we will resign." (Laughter)

It is awfully nice to see you.

CONFIDENTIAL
Press Conference #16
Executive Offices of the White House

April 28, 1933, 12.40 P.M.

THE PRESIDENT: Well, how is the going?

Q Fine.

THE PRESIDENT: I think you all look a little drawn.

Q There is a good reason for that.

Q Without meaning to be inhospitable, I hope we got rid of some of the foreigners for a little while.

(The attendance at the Press Conference was large)

THE PRESIDENT: No question but what I will have to get a bigger office.

Q Hold the conference in the backyard.

THE PRESIDENT: We might do that a little later on. It is not a bad idea at all.

MR. DONALDSON: All in.

THE PRESIDENT: I have a piece of good news for you. I thought that, following an old Albany custom, we would declare a moratorium on all news from Saturday noon until Monday morning.

Q Good.

Q Are you going down the river?

THE PRESIDENT: No, not until after church on Sunday and then get back later that evening.

Q Any destination or just for a cruise?

THE PRESIDENT: No. It depends on the wind and weather.

Q Tell us about the resolutions you might ask for to deal with debts?

THE PRESIDENT: I haven't any more idea than you have; absolutely haven't any more idea than you have.

Q Down in Warm Springs, I think you mentioned the possibility of asking for a commission to advise with you -- a Congressional commission. Have you still got that in mind?

THE PRESIDENT: No, I can only talk about that entirely off the record and in the family. It seemed possible, at that time, to have some kind of a more or less formal commission, but that would entail probably a debate and so forth and so on. It is probably better, from the standpoint of the present situation, to handle it in just an informal way, keeping in touch with the Foreign Relations Committees in the two Houses and with the leaders in the different groups. That would make it much simpler. We will arrive at the same result without any formalities.

Q Is the conversation with the Canadian Prime Minister still in process?

THE PRESIDENT: Yes, he is coming in at half past two this afternoon, right after the Cabinet meeting. We are getting on extremely well.

Q Can you tell us anything about the tariff. The French tell us that they want a safeguarding clause, enabling them to increase the tax in the event the dollar should take a sudden drop.

THE PRESIDENT: I cannot tell you anything at this end because it is a thing that should break from London tomorrow.

Q Will you conclude your talks with Bennett today?

THE PRESIDENT: Yes.

Q Will there be an announcement of any kind?

THE PRESIDENT: I think so, yes.

Q May I ask one more question: Is it fair to assume that the trade treaties with Canada will depend on the treaty powers you get from the Senate?

THE PRESIDENT: Not necessarily.

Q Should this break from London -- the tariff treaties?

THE PRESIDENT: The tariff treaties? Yes, because it will come up on a motion by Mr. Davis.

Q Is Mr. Davis in London now?

THE PRESIDENT: Yes; he left Geneva this morning to get to London either tonight or tomorrow morning.

Q May I ask if the conclusions arrived at in the conference last summer proved any element of embarrassment in your conversation with the Prime Minister?

THE PRESIDENT: Off the record, I can only tell you that so

far we have not mentioned the Ottawa Conference.

Q Anything on the bonus?

THE PRESIDENT: Only the story you got yesterday afternoon. Louis Howe talked with them.

Q Anything new on railroads?

THE PRESIDENT: Haven't got around to it yet. Somebody stole my copy of the bill and I sent for another one this morning.

Q You told us yesterday morning --

THE PRESIDENT: I don't even know if that (indicating) is the bill. I hope so. (Laughter)

Q Have you read the bill enough to say --

THE PRESIDENT: I started to read it, laid it down and then my copy disappeared. (Laughter)

Q When will the District Commissioners be appointed?

THE PRESIDENT: I don't know. Jim Farley is looking into the whole question and he has not had a chance to talk to me about it as yet.

Q Is there anything new about the Ambassador to Germany?

THE PRESIDENT: No.

Q Will the agreement made with Canada have to wait until after the World Economic Conference?

THE PRESIDENT: That is too difficult a question to answer. I don't know.

Q Can you give us any idea?

THE PRESIDENT: In other words, entirely off the record, the way I would put it would be this: There are quite a number of matters in which Canada and the United States can act by a bi-lateral agreement that would not affect the rest of the world and, of course, we could go ahead on that right away.

Q Will any attempt be made to stabilize the currency of Great Britain and the United States in advance of the Economic Conference?

THE PRESIDENT: That I cannot answer; it is too complicated.

Q It is not so complicated.

THE PRESIDENT: We are not ready for it.

Q Has the French Government made any overtures for the payment on December 15?

THE PRESIDENT: We have not discussed it.

Q Speaking of those matters as to which we could conclude treaties with Canada before the Economic Conference, those would also have to await receipt of authority from Congress, would they not? In other words, there is nothing you can do with respect to Canada at the present time?

THE PRESIDENT: On tariff matters, that is perfectly true, but there are a lot of other things.

Q There are a lot of other things?

THE PRESIDENT: We have quite a lot of things that are subjects of negotiation at the present time. Some of them have proceeded to the actual treaty stage, others are before the International Joint Commission.

For instance, I am taking up again with the State Department and the Foreign Relations Committee the treaty in relation to Sockeyed Salmon. (Laughter)

Q But tariff matters would have to wait?

THE PRESIDENT: Yes.

Q Is there any chance of an agreement on wheat control?

THE PRESIDENT: That is a thing still under discussion with Mr. Bennett. We are talking about that this afternoon.

Q Was the matter of the Consultative Pacts deliberately left out of the statement this morning?

THE PRESIDENT: What was that?

Q The pact -- discussing it with France -- the statement does not mention it.

THE PRESIDENT: I think the language covers the whole thing pretty well. I haven't got a copy of it here. (Mr. Early handed the President a copy of the statement) There is something in the statement in regard to -- (reading statement) --

MR. EARLY: It mentions the word peace.

THE PRESIDENT: Well, you get to the top of the second paragraph and it reads "at no moment has understanding been more necessary between France and the United States for maintenance of peace." You see, there are various elements here -- the maintenance of peace, progressive and simultaneous disarmament, the restoration of stable monetary conditions in an atmosphere of general security. There you have four things. Draw your own conclusions.

Q Mr. President, what kind of a consulting pact would you get. Would it be more of a modified --

THE PRESIDENT: That is it; you have to draw your own conclusions from the four things mentioned there.

Q Well, some of your Senators say there won't be any such a consultative pact -- only in name only.

THE PRESIDENT: Wait and see.

Q Where will that develop, at Geneva?

THE PRESIDENT: I don't know.

Q How long are we going to have to wait?

THE PRESIDENT: I don't know that either. I am not an awful good guesser this morning.

Q Anything new on the Public Works program?

THE PRESIDENT: Nothing, except we are still sending all the suggestions in to the informal committee working on it.

Q You mean the committee of four Cabinet Members?

THE PRESIDENT: Yes. Secretary Ickes is acting as a clearing

house for them.

Q Have you anything on the size of the bond issue?

THE PRESIDENT: No; I haven't taken that up either.

Q Have you any statement on the departure of M. Herriot?

THE PRESIDENT: You mean from me?

Q From both of you.

THE PRESIDENT: Yes, there is a very fine statement that is coming out in about half an hour, as soon as it gets mimeographed. All I can say is to repeat how very very happy I was in having the chance, not only of meeting him but of becoming real friends with him. I feel that the conversations have very greatly advanced the understanding between the two countries. (Mr. Early spoke to the President) Steve says his statement is all ready.

Then, the only other thing I have is that in ten minutes I have to attend a luncheon to the Philippines who are visiting here, Senor Quezon and two or three others -- I believe there are six of them -- and the Secretary of War and the new Governor General.

Q I understand that Senor Quezon is returning somewhat disappointed because he found, on the Hill at least, quite a bit of antagonism toward any change in the Independence Bill. Does that represent the Administration attitude? He did intend to stay quite a while but now he is returning.

THE PRESIDENT: It would have to be off the record, merely with the idea of giving you a slant on my own feeling on it. We have got to remember that this is a special session of the Congress and, as such, we want to take up only the things that are special from the domestic point of view -- in other words, emergencies.

It is only a very short time since the Philippine Bill went through and we all feel that nothing should be done during this special session of Congress to raise the question in any way.

Q But that does not preclude action later on?

THE PRESIDENT: No human being can tell what future Congresses will do but, so far as the present Congress is concerned, our general position is "no changes".

Q That is off the record?

THE PRESIDENT: Yes.

Q The Department of Agriculture -- I believe Professor Tugwell is interested -- is studying the possibility of requiring the use of alcohol in gasoline. Is that to be made part of the Administration program?

THE PRESIDENT: Not that I know of.

Q Have you had any protests from Senators against the Reforestation plan. They say money is being spent to disadvantage and they would rather have it spent on rivers and harbors

and roads?

THE PRESIDENT: Not that I know of.

Q Some of them are coming down here to see you.

THE PRESIDENT: I haven't seen them and haven't heard about it at all.

Q Any RFC appointments in sight?

THE PRESIDENT: No.

(The conference adjourned at 12.50 P.M.)

CONFIDENTIAL
Press Conference #17
Executive Offices of the White House,
May 3, 1933 - 10.45 A.M.

THE PRESIDENT: Well, what is the news?

Q That is what we want to know.

Q Are you contemplating any changes in the Government of the District of Columbia?

THE PRESIDENT: Not at the present time. There has been - and I think you had better make this entirely off the record because there is no news on it - there has been, as I understand it, some discussion for a number of years about trying to improve the mechanics of the District Government. Since I have been here several people have talked to me about the possibility of changing the three commissioners system but it has been merely conversation so far and there will certainly be nothing done at the special session.

If we do anything, it will be held until the next regular session and we are not even certain that anything will be recommended then. It is still vague - we have talked about it in a very vague way.

Q Then the appointment of the District Commissioners will be made?

THE PRESIDENT: As soon as I can get around to it.

Q But it will be soon?

THE PRESIDENT: I don't know, I hope some time this week. I mean, the end of the week, but that is still a hope.

Q Can you tell us your plans for the remainder of the session, Mr. President?

THE PRESIDENT: Yes. Somebody has been taking you people for a perfectly grand ride. Even Arthur Krock fell for it and fell heavily. He talked about my going abroad. (Laughter) Is he here?

Q No, sir.

THE PRESIDENT: Tell Arthur anyway that he has been taken for a terrible ride, but he is not the only one.

Q That is due to the vague talk about your going on a trip.

THE PRESIDENT: I will give you the lowdown on that. What I hope to do, and this depends entirely on Congress, and this is one of the real reasons why I hope Congress will go away early in June - I do hope to cruise up the coast as far as Eastport and then to get aboard a cruiser up there at Eastport and come back on her

and have one of the trial runs because I have not seen that new type of cruiser. I have never been on the new type and I am very anxious to see it and run along the coast to the nearest point I may land, which happens to be Baltimore because these ten-thousand-tonners cannot get up to the Navy Yard here and they cannot get to Annapolis, so the nearest point was Baltimore. That was the reason why there was talk of my docking at Baltimore.

Q Does that mean you expect to be here most of the summer?

THE PRESIDENT: Yes.

Q How long will you be away - a couple of weeks, three weeks?

THE PRESIDENT: About ten days. I hope also to get up to Hyde Park some time in August, but that is still vague.

Q How about putting up a Summer White House at Hyde Park for two or three weeks?

THE PRESIDENT: Yes.

Q Are you going to Campobello Island this summer?

THE PRESIDENT: Yes, we will cruise up as far as Campobello.

Q Is it in Maine or in Canada?

THE PRESIDENT: The cottage we have had for forty-some odd years is half a mile in on the Canadian side of the border.

Q That is what they meant when they said you were going abroad?

THE PRESIDENT: Yes. (Laughter)

Q Is there anything about the Undersecretary of the Treasury - is any announcement to be made?

THE PRESIDENT: I think by this afternoon or tomorrow morning.

Q Is there any announcement on the Undersecretary of Labor? Some information or a report went out that McGrady was going to be appointed.

THE PRESIDENT: That is absolutely brand new to me. I haven't heard a word. Miss Perkins hasn't said a thing to me about it.

Q How about the tariff bill?

THE PRESIDENT: I haven't talked about that.

Q Have you decided what you are going to do about excise taxes?

THE PRESIDENT: No. The only report I have had on taxes at all is that the beer tax does seem to be running ahead of the estimate of $150,000.

Q The beer tax was what, Mr. President?

THE PRESIDENT: It will exceed the hundred and fifty million dollars that was estimated.

Q Are you going to Chicago?

THE PRESIDENT: I don't know. We are talking it over. There again it depends a good deal on Congress. If Congress is in its final week I am not at all certain that I can get off.

Q Can you tell us what you are going to talk about at the Chamber of Commerce tomorrow night - the subjects you are going to take up?

THE PRESIDENT: Yes; I think I have a pretty good idea of what I am going to talk about. I think I will talk about the control of industry, both control within itself and its relationship to government. It will be, probably, mostly a philosophic discussion.

Q Mr. President, are you ready to say how and when the prosecution of gold hoarders is to be carried on?

THE PRESIDENT: I think the Secretary of the Treasury and the Attorney General are looking into that phase now.

Q On this control of industry, do you intend to submit anything to this session of Congress?

THE PRESIDENT: I don't know.

Q Have you worked out anything definite?

THE PRESIDENT: I am still in the philosophy stage.

Q Will this speech be one of general nature, a sort of philosophical repetition of your Commonwealth Club speech in San Francisco, or something along that line?

THE PRESIDENT: More specific than that; I think I will take up some of the concrete problems, like that story I told you the other day about the sweater factory, where one unit in an industry is putting other units in the industry out of business. Also the question of fair wages and the question of over-production.

Q Hours?

THE PRESIDENT: And hours.

Q Will there be advance copies of that speech?

THE PRESIDENT: Yes, I will give you a release on it. I told them I would rather not have a radio hook-up because it is meant primarily for the Chamber of Commerce.

Q Can you tell us when the advance copies will be ready?

THE PRESIDENT: Just before I go into the dinner.

Q Is this thirty-hour bill part of the Administration's emergency program?

THE PRESIDENT: I cannot say yes or no. I will give you the lowdown on it. I think what Senator Robinson had in mind was that if these hearings in the House Committee keep on going interminably, [redacted] the prospect of taking it up will be somewhat lessened.

Q Is St. Lawrence Waterway in your program for this session?

THE PRESIDENT: I don't know. I have not talked to Senator Pittman about it for two or three weeks. I don't know what the status is.

Q It is intimated that you would like to see the Congress get away before the middle of June.

THE PRESIDENT: Oh, before the middle of June.

Q Can you tell us what legislation will go through?

THE PRESIDENT: I hope everything I sent up will go through.

Q How about banking legislation; has anything been worked out on that?

THE PRESIDENT: Still in the discussion stage - not much further.

Q You haven't sent up the thirty-hour week - that is not your program?

THE PRESIDENT: Oh, but there might be other things I would like to see go through that I did not send up. We haven't got a hard and fast rule that it should be

this, that and the other thing and not something else. We haven't got to that point yet.

Q It will have to come through pretty soon?

THE PRESIDENT: The railroad bill is exceedingly short and simple. I don't think that will take very much time. There isn't very much that can be said in debate about it.

Q Is there anything new in it?

THE PRESIDENT: I don't think so.

Q What changes have been made?

THE PRESIDENT: I think one or two small changes.

Q Is it just a re-draft?

THE PRESIDENT: Yes, the principle is the same.

Q Have you anybody in mind as Coordinator?

THE PRESIDENT: I have not thought about it at all.

Q How about the public works bill - this week or next week?

THE PRESIDENT: Next week.

Q Has that taken shape yet?

THE PRESIDENT: No.

Q Your idea on that will be only for what may be undertaken properly?

THE PRESIDENT: Yes, as a general proposition on public works I would put it this way: That there are certain criteria

as to public works which ought to be followed. There is no use in appropriating money for projects that could not be started until next spring.

Q Can you give us an idea of the amount of the bill?

THE PRESIDENT: I don't know.

Q It cannot be very large.

THE PRESIDENT: Well, it could be fairly large. And another, we want things that are apparently useful to humanity. In other words, not frills. There are lots of things we would like to have done by way of frills, but we want something that will serve the largest number of people.

Q News from abroad indicates that you will agree to this pact and that you are also backing this French proposal for disarmament. Can you tell us anything about it?

THE PRESIDENT: I cannot, because everything on that has to come out via Norman Davis.

Q Norman Davis has indicated that we should get it via you.

THE PRESIDENT: Yes, but it would be discourteous to the Conference to have anything come out of here.

Q The French are accusing us this morning of bad faith because of our refusal to meet gold bond interest payments in gold. Have you any comment on that?

THE PRESIDENT: Entirely off the record. The general thought is this: A government gets out an issue of bonds in its own country and they are payable within that country. The overwhelming majority of that issue is taken by its own citizens, payable here. Now, if citizens of other countries, to a very, very small number, purchase those bonds, they know in the first instance that the bonds are payable in the country of origin. Is there any moral reason why they should be favored over the 98 or 99% of the holders of those bonds who are our own citizens? Should not foreign purchasers take exactly the same risks in buying those bonds that Americans do? That is the simplest explanation of it. The idea is to treat everybody the same way. That is off the record.

Q Mr. President, I take it from that that there will be no exports of gold allowed for service on those bonds.

THE PRESIDENT: Yes.

Q That is off the record, or can we use that?

THE PRESIDENT: Yes, you can use that. Of course, that does not apply to earmarked gold and the necessary amount for trade balances.

Q Mr. President, what was up on budget this morning?

THE PRESIDENT: Just figures. Just to see how well we were coming within balance.

Q How well are we coming?

THE PRESIDENT: Let us see. Let us put it this way. On the basis of being absolutely hard boiled in regard to estimates of Treasury receipts, estimating that they will not be any better next year than they are at the present time, we would receive somewhere around - in very rough figures - two billion two hundred million dollars. We would stand, roughly, two billion three hundred and twenty or thirty million. Now, that is being hard boiled on the receipts. We are not trying to say, "If business goes up five or ten per cent." It is based on the existing receipts.

Q That is for 1934 - the fiscal year 1934?

THE PRESIDENT: Yes. It is about a hundred and twenty or a hundred and thirty million dollars out of balance.

Q Is that exclusive of interest on public debts?

THE PRESIDENT: Oh, no; that includes interest.

Q It does not include the sinking fund?

THE PRESIDENT: No, it does not include the sinking fund.

Q That means well over a billion dollars of savings.

THE PRESIDENT: Yes, that does mean over a billion dollars in savings.

Q You enumerated two criteria as to public works. Are there any others?

THE PRESIDENT: I suppose so; I cannot think of them at the present moment. I think there are three or four.

Q Are they supposed to be self-liquidating?

THE PRESIDENT: Of course, self-liquidating projects will be preferred. Anything that can be self-liquidating would get preference.

Q Do you recall if, in figuring that hundred and twenty million dollars that you are short, you figured the a hundred and fifty million dollars for beer?

THE PRESIDENT: Yes, the a hundred and fifty million dollars was in there.

Q Is this based on conditions not improving?

THE PRESIDENT: Yes, it is based on conditions not improving.

Q But you expect them to improve?

THE PRESIDENT: There is where you are getting off the track. We are not trying to guess. We are taking conditions as they are.

Q If they do improve, the budget will be balanced?

THE PRESIDENT: Yes, but if they get worse, it will be worse out of whack. (Laughter)

Q Mr. President, is this two billion three hundred and twenty million dollars the total Government budget for next year?

THE PRESIDENT: This is as it is at the present time. Of course, we don't know. We haven't got the other figures in regard to the public works program. There you get into an entirely different field as to what the policy would be on financing a public works program and on whether we should authorize taxes to cover interest and amortization on a public works program.

Q Has that been decided yet?

THE PRESIDENT: No; that is still very much under discussion.

Q In your Treasury receipts, did you include war debt payments?

THE PRESIDENT: I couldn't tell you - I don't know.

Q You say --

THE PRESIDENT: I just took the total figure. I know it

included beer but we did not talk about --

Q Is there any definite policy on the cuts on the scientific and experimental work of the Government? Has that been determined yet on how extensive that cut will be?

THE PRESIDENT: No.

Q Mr. President, some of us have to write something on these gold interest payments. Wouldn't it be possible to use that explanation on our own authority as the feeling in this country?

THE PRESIDENT: Steve, is that all right?

MR. EARLY: I think so.

THE PRESIDENT: All right.

Q Have you anything in mind with respect to bringing the budget into complete balance?

THE PRESIDENT: We rather pat ourselves on the back that we have got down, on a conservative basis, to a hundred and twenty million dollars.

Q I think you are right. Roughly, how does that billion dollars saved break down -- is it about four hundred million dollars on veterans --

THE PRESIDENT: I don't know. You had better ask Lew Douglas about it.

Q Do you know how this budget compares with the past budgets in the way of expenditures?

THE PRESIDENT: You mean the current year's budget?

Q Yes.

THE PRESIDENT: I cannot tell you offhand. The current year's budget, I think, is pretty close to four billion dollars.

Q Have you any plans for stabilization of the bituminous coal industry, apart from the idea of eliminating unfair competition in industry as a whole?

THE PRESIDENT: I think the most difficult subject in the United States is coal and, frankly, we have not got anywhere on it.

Q Do you mean hard and soft coal combined?

THE PRESIDENT: They are two separate problems, entirely.

Q Mr. President, somebody in the back is trying to ask whether Secretary Hull is going to London.

THE PRESIDENT: I don't know; we have not got as far as that yet.

Q Mr. President, will your railroad message be short?

THE PRESIDENT: Yes, it will.

(The conference adjourned at 11.05 A.M.)

CONFIDENTIAL
Press Conference #18
White House Executive Offices

May 5, 1933, 4.05 P.M.

(There were present: The Secretary of State, Mr. Jung of Italy, and the Italian Ambassador.)

Q Can you tell us whether you expect the St. Lawrence Waterway Treaty to go through this session or not?

THE PRESIDENT: I don't know. I am in the same position I was two weeks ago. I have not talked to Senator Pittman about it.

Q How about your conference on the Glass Banking Bill? Have you anything on that?

THE PRESIDENT: You will have to find out from the Secretary of the Treasury and Senator Glass. I believe they talked about it this morning.

Q Do you favor having it passed this session?

THE PRESIDENT: They are still talking about it.

Q May I read you a very brief dispatch. It says that Premier MacDonald told British leaders tonight that he and President Roosevelt are in agreement that if the World Economic Conference is to be a success, that the debt question must be settled one way or the other before the conference ends. "We both pledged ourselves to leave no stone unturned and to use every means in our power to find a way to settle these debts."

THE PRESIDENT: Thank you for telling me about it.

Q In regard to the first part: Are you in such an agreement?

THE PRESIDENT: No.

Q Are any steps going to be taken for the reopening of those banks still closed as a result of the moratorium?

THE PRESIDENT: Oh, gosh, they are working on it over there day and night. RFC is subscribing preferred stock for some banks so that they may open up and others are being opened without the necessity for preferred stock.

Q How about our banks?

THE PRESIDENT: In the District? (Laughter) I don't know.

Q Has Mr. Cox agreed to be a member of the Economic Conference delegation?

THE PRESIDENT: That is what they call a "leading question". It assumes that he has been asked.

Q Has he been asked?

THE PRESIDENT: No comment.

Q Mr. President, with the return of the gentlemen from England and France to their countries, the papers are full of reports of what happened -- reports that are somewhat mysterious to us over here. Could you clarify your position on the debts particularly, at this time?

THE PRESIDENT: No.

Q Or with respect to the consultative pact?

THE PRESIDENT: Nó.

Q Can you tell us what you have taken up with Doctor Jung this afternoon?

THE PRESIDENT: Everything. (Laughter)

Q Won't you deny these reports that we are going to have a moratorium in June?

THE PRESIDENT: (Laughter). You are being laughed out of court.

Q Your joint statement with Premier MacDonald said that a joint debt agreement had been reached. Does that still stand?

THE PRESIDENT: Whatever was said here and in what they call the official communique still stands.

Q That statement also said that negotiations would be carried on in Washington and London in the meantime. Are they going on now?

THE PRESIDENT: No.

Q When are they going to be started?

THE PRESIDENT: I don't know.

Q Have you decided on what legislation can be put through before the first week in June?

THE PRESIDENT: No.

Q You will have to cut out some of it, won't you?

THE PRESIDENT: I told you the other day that about the only other thing going up there, definitely, is the Public Works

Bill. I think that ought to go up in about a week. I don't know what is up there now in the legislative mill. I cannot discuss that. There is still the possibility of some farm legislation, but it is still in the initial stage.

Q Wouldn't that cause debate and postpone adjournment?

THE PRESIDENT: That is an "if" question. If it is sent.

Q What about this control of industry?

THE PRESIDENT: I don't know. I have been reading a lot in the papers about that. Senator Wagner has a bill and some Congressman has a bill. They are still talking on it. So far as I have any knowledge, there are two things: The first is that there are probably about 350 plans here in Washington, public and private. I should say they are still coming in at the rate of 25 or 30 a day. They are all being discussed before some Members of the Congress and Senate. They still have to be reduced to some form of legislation, so that does not mean anything at all; it means it is merely in the stage of examination.

The only other thing is that the Connery Committee, I think it is, is still working on the Black Bill and I don't know what form it will come out in but, until it comes out in some form, I cannot do anything about it one way or the other. I think everybody does know that

one thing is quite clear. You will have to use this off the record, because it is not in my province to comment. As you know, there is a suggestion that we should not allow products to come into this country that have not been produced on a 30-hour basis. That suggestion is ridiculous because it is a straight out and out embargo on all imports, practically, therefore it is a perfectly impossible suggestion. But, as I say, that has got to be off the record, because it is not courteous for me to comment on a suggestion that is still before the committee.

Q Your talk last night seemed to me to point to some legislation to put those things into effect. Do you expect that at this session?

THE PRESIDENT: Well, that is perfectly possible but again, it is not certain. The suggestion last night was to take care of the problem of the minorities in different industries that are hurting each industry as a whole. It would be some form or some method of controlling those minorities for the benefit of the industry as a whole. Now, what that will result in we do not know yet.

Q Will you comment on Senator Wagner's proposed bill?

THE PRESIDENT: No.

Q Mr. President, it is fair to assume that you desire to have Congress away the first week of June? That is kind of fixed in your mind, is it not?

THE PRESIDENT: No. All I have said about the first of June is that I hope they would get away in time for me to go up.

Q Mr. President, does not the Farm Bill give you a very considerable measure of control over industry that is connected with agriculture?

THE PRESIDENT: Yes, certain forms of industry. It applies to prices of agricultural products.

Q That covers quite a number?

THE PRESIDENT: It covers quite a number, yes; but it does not control as to wages and hours, for example.

Q Mr. President, will your Public Works Bill go up as a separate bill or as part of a larger bill?

THE PRESIDENT: I think it will be all one bill.

Q A separate bill?

THE PRESIDENT: Yes.

Q Will you elaborate on what particular phase of disarmament you discussed with Doctor Jung?

THE PRESIDENT: No. In other words, we cannot elaborate on anything that has to do with the Disarmament Conference in Geneva because we feel, as a matter of courtesy, that that should come from Geneva itself.

Q Mr. President, have you talked over with the Attorney General the new Federal action against racketeering?

THE PRESIDENT: No.

Q Has he suggested some steps on it?

THE PRESIDENT: No.

Q Have you determined in your own mind as to how large a delegation you will send to the Economic Conference?

THE PRESIDENT: I have not discussed it at all.

Q Have you found those three good Republicans for the RFC?

THE PRESIDENT: No; still looking.

Q How about the Interstate Commerce Commission; there is one vacancy there?

THE PRESIDENT: Off the record, not for the present, because we are still talking about the whole problem of the Interstate Commerce Commission.

Q Can you give us any idea of the size of the bond issue for the Public Works program?

THE PRESIDENT: Not yet, except that it won't be as much as 5 billion dollars.

Q Will it be a billion?

THE PRESIDENT: No. (Laughter)

Q Have you got a report from the Cabinet conferees as to how much could be done in a short time?

THE PRESIDENT: Not yet. The only thing I can tell you, for information on that, is that I suppose thousands of projects have all been lifted, some good, some bad and some thoroughly indifferent. We have the list of all

of those projects. We haven't yet got to the point of putting them through a sieve.

Q If you lend money to municipalities, as proposed, isn't the Government going to supervise the work a little bit so that there is not too much graft?

THE PRESIDENT: (Laughter). I should say, off the record, we will try to eliminate the chances for graft.

Q Isn't the Government going to supervise contracts in some way if they loan money to municipalities?

THE PRESIDENT: Not that I know of.

Q I thought that was the plan?

THE PRESIDENT: You must remember that the municipalities are creatures of the state. A municipality is a corporation chartered by a state and the less the Federal Government has to do with running a municipality in this country, the better off we are going to be in the days to come.

Q But if you loan them the money -- (interrupted)

Q Is there any provision in this Public Works Bill for loans for private construction?

THE PRESIDENT: Not that I know of.

Q Have you determined how you are going to raise that money?

THE PRESIDENT: No, or how we are going to pay it off when we do raise it.

Q Is there anything to report on this Government reorganization?

THE PRESIDENT: No, we have done absolutely nothing about it the last two weeks. I have not looked at it and have not discussed it. I still have Dan Roper's report.

Q Do you think you will be able to go down the river tomorrow to spend the weekend?

THE PRESIDENT: I hope so, but I don't know.

Q Are you going to have a Press moratorium?

THE PRESIDENT: What I would like to do is, after luncheon tomorrow, go down the river and spend the night and come back Sunday afternoon. But I don't know whether I will be able to do that.

Q Will you be taking Doctor Schacht with you?

THE PRESIDENT: No.

Q How about your speech Sunday night. Can you give us a little advance?

THE PRESIDENT: I have not thought of what it will be. It will be more in the nature of a very simple report on what has happened.

Q Are you going to try to make the Inflation Bill clear to the public?

THE PRESIDENT: What?

Q Are you going to try to make the Inflation Bill clear to the public?

THE PRESIDENT: No. I would say, off the record, not the bill but rather the purpose of the Government. There

won't be anything new in it.

Q Will you sketch your policy?

THE PRESIDENT: I would say, sketch the purpose. As to the method, certainly not. I don't know any more than you do. It is the same old analogy of the football game. We know where the other fellow's goal line is and we do know a lot of plays which are possible. But, the next play will depend on the outcome of the current play.

Q Mr. President, I wonder if you will say anything about Doctor Pani's visit?

THE PRESIDENT: Not a thing.

Moratorium until Monday morning -- after tomorrow at Noon.

(The conference adjourned at 4.25 P.M.)

CONFIDENTIAL
Press Conference #19
Executive Offices of the White House,
May 10th, 1933 - 10.49 A.M.

THE PRESIDENT: Good morning. The really important news is that we are going to have a moratorium on news over Saturday and Sunday.

Q Speaking of moratoriums, did you see the speech that Ramsay MacDonald made yesterday in which he said that an agreement had been reached that we should enter into a consultative pact?

THE PRESIDENT: Careful; don't misquote him, get it right.

Q Will you read it and comment on it, please.

THE PRESIDENT: You can print his language.

Q What was that, Mr. President?

THE PRESIDENT: You can print his language.

Q What he said was that agreements were entered into here --

THE PRESIDENT: What did you say? I will have to read it to you.

Q You will find it on the front page, in the box, in the Times. (Laughter)

THE PRESIDENT: For your information, I will read what he said. I take it that it was properly transmitted.

"One of the points we both considered and had very clearly in front of us was the menace to the tranquillity of mind of Europe which the recent events in Europe had created. We saw quite clearly the new risks with which the Disarmament Conference was being faced.

"Yet I am very happy to say that the United States Government is prepared to play a further part in tranquilizing Europe by agreeing, if the Disarmament Conference comes to anything like a satisfactory issue, to take its part in consultative pacts, the effect of which will be to increase the security of Europe and the safety of threatened nations against war.

"This is a very considerable advance. Secretary of State Stimson began it in that courageous statement he made before he went out of office regarding the need to redefine neutrality and the present government has expressed its intention of going further in making its obligations quite definite and authoritative. An announcement will be made in Washington in due time, when the matter is further considered and its details dealt with."

I will tell you what I am going to do. I will talk to you off the record about it. We haven't got to the point of saying anything, so it has to be entirely off the record and just informative.

Both Platforms, I think certainly the Democratic Platform, favored consultative pacts. Now, what is a consultative pact? It means, and it meant in the Platform, that if all the nations agreed to set up some kind of machinery for consultation in the event

of an act of aggression, we will be very glad to have somebody there to consult with. I consider that to be a step forward. But it is not, and do not get the idea that it means that we bind ourselves in the first instance to agree with the verdict. Now, that is a very different thing. We agree to consult. Therefore it does not tie the hands of the United States in any shape, manner or form and leaves our final action entirely up to us. Now, that is the simplest way of putting it. We in no way - in no way - are limiting our own right to determine our own action after the facts are brought out.

Q Mr. President, did MacDonald give you to understand that that would be sufficient to satisfy the political security demands of Europe?

THE PRESIDENT: Again, I can tell you off the record that that position of ours seems satisfactory to the British and to the French.

Q To what end do we consult?

THE PRESIDENT: Let me again illustrate, off the record. This disarmament proposal of MacDonald's which has been before the Disarmament Conference in Geneva

quite a long time - a good many months - it is divided into two parts. Part one is called security and part two is called disarmament. Parts two, three, four and five are called disarmament and parts two to five bring up for discussion a definite plan for the taking of what might be called the first steps towards the objective. The objective, most simply stated, is to reduce and eventually to practically remove the weapons of offensive warfare, in other words, the weapons of attack. If we can limit and eventually remove the weapons of attack, you automatically build up and strengthen the weapons of defense. If you remove the weapons of offense and thereby strengthen the weapons of defense, you give security to every nation, including the small nations.

The simplest illustration is by asking what are the weapons of offense that render the weapons of defense ineffective? Well, there is gas. You can flood a fort with gas and make it untenable. Then there is heavy, mobile artillery, because you can smash a fort with heavy artillery and you can smash trenches with heavy artillery, and you can smash barbed wire entanglements with heavy artillery. Then there are bombing

planes - probably planes of all kinds - because they can drop things on top of forts, on top of trenches and on top of barbed wire. Then there is what I call land battleships. Those are the perfectly enormous tanks - they are getting bigger and bigger every day - that will walk through a ditch and over various entanglements and very soon, probably, be able to walk over a fort.

If you can eliminate those eventually - I am talking about a long distance picture - if you can eliminate the weapons of defense, you have accomplished something and you have made the nation secure against a sudden attack.

Well, that is something that has got to be done by steps. The MacDonald plan contemplates taking the first step.

That is the simplest way of describing what the MacDonald disarmament plan is and, if the first step can be taken, there is a better chance of being able to take the second step and the third step and the fourth step towards the ultimate objective.

So much for the disarmament class of the MacDonald plan.

Then you come down to what is called part one, security. Part one, security, proposes to set up certain machinery to determine who is the aggressor, and what will be done to the aggressor. There is a desire to work out some means of consultation in the event of an act of aggression in order to implement the Kellogg-Briand Pact.

Now, what that machinery may be is still very much in the air - the details of it. There are objections to the MacDonald proposal because it presupposes that if a nation commits an act of aggression that then there would be called a conference and that the conference would meet and act as what might be called a jury on the act of aggression complained of. It also presupposes, and here is the weakness of it, that the aggressor nation would be very quietly sitting still during this whole period. That is a practical objection and they are trying to work out some more practical means of consulting together to put some kind of a determination on an act of aggression.

The position that I have taken - this has got to be off the record, I am sorry, because it is a thing that has got to break on the other side if it does

break at all - the position I have taken is that both parties here are entirely ready to sit at whatever kind of a consultative meeting is provided for. The idea is to work out some sort of machinery and then, having sat there, there would be a report to Washington as to what the other nations think and then we will be entirely free to do whatever we want to do. In other words, we would not be bound by the American who happened to be sitting in the consultative pact. He would report home.

Q Mr. President, it seems to me that the consultative pact is almost identical to our relations with the League of Nations.

THE PRESIDENT: It is an entirely different thing. You cannot use comparisons in that connection.

Q So far, they have talked very frequently about consultative pacts.

THE PRESIDENT: Oh, yes.

Q But we always took the stand that we would consult as things came up but do nothing obligatory - not be obliged to consult. With this new arrangement, would we be obliged to consult?

THE PRESIDENT: We would say quite frankly that we would sit in and consult. There is nothing particularly startling about that, when you come down to it.

Q But we have that machinery now.

THE PRESIDENT: Sure. In other words, it sounds like a huge change in policy, but it is very little change in policy. It is an announcement that we are going to do something that we would do anyhow.

Q Would the other countries be more bound by their delegates to the pact?

THE PRESIDENT: As I see it, the MacDonald suggestion was that in this consultative pact, at this meeting, this conference, that the European nations and Russia and Japan should agree, the larger powers, by unanimous vote and the smaller powers by a majority vote. But you had better, some of you, read the language of it, because part of it is still very much in the air. It is simply something to try to build on.

Q Mr. President, inasmuch as Premier MacDonald said something for publication and this that you have said is off the record, cannot you give us something on the record?

THE PRESIDENT: This is study, off the record.

Q But it is not news. (Laughter)

THE PRESIDENT: I'm just trying to be helpful.

Q May we use anything as coming from our own imagination or knowledge?

THE PRESIDENT: No, I think it is just to enable you not to get stampeded by things coming over from the other side.

Q In that connection, there are a lot of things coming over on debts. Do you care to comment on that?

THE PRESIDENT: I will talk off the record also on debts. Now this is entirely off the record. Do not get stampeded by anything you hear from the other side on debts. Well, I will tell you frankly what the situation is. It is not very much further than it was a long time ago. And the position is exactly the same position that I took, I think it was last November. In other words, that a debtor nation has, at any time, the right to come before a creditor nation and lay its case before the creditor nation. Now, that has not been done by any of them officially. So, you see, we are not nearly as far along as most of

the stories, and especially the headline people, would have you believe.

And then, the other part of it is, if you will read the joint statement of Mr. MacDonald and myself, you will find that that part is wholly true. In other words, that we were informally exploring, that is all. No proposal has been made by us and no proposal has been made by the other fellows or any of them. You know those headlines -- where is the Herald-Tribune? -- I don't blame anybody for writing stories and the headline writers have a bad time of it too because they have so very little space. For example, "U.S. to discuss war debts concurrently at London." That does not say if they want to talk to us, it says they are to talk to us. If our fellows go off to the Economic Conference, they are not going to have authority to discuss debts. That stays with Pop - right here. (Laughter)

Now, if somebody should happen to speak, let us say it is in London, to one of the American delegates -- I almost said who -- about that, probably the American delegate will say, "That is interesting. If you want me to transmit something to the President, I will be

glad to do it," but it is going to stay right here.

Also, the word "concurrently" does not mean that they will gang us any more than I would have suggested that or permitted that two or three months ago. They talk with us individually.

Q But, Mr. President, public opinion, particularly over here, has probably been more stampeded by these headlines than we have. Couldn't we clear it up on our own authority, otherwise they will be still stampeded.

THE PRESIDENT: No, go to the headline man privately.

Q Would you be willing to say what legislation you are going to ask Congress for in order to deal with the situation after recess?

THE PRESIDENT: There again. I have forgotten which story it was this morning, but one of the stories - I guess it was the Times (laughter). Oh, I know, it was Arthur's story.

Q Little Arthur? (Laughter)

THE PRESIDENT: Why, he talked to -- I wish they would put the names down, it would be so much clearer. He says that an Administration leader today - oh, come on and tell me what his name is - and then a whole paragraph

about the impression the Administration leader is supposed to have conveyed. Then he goes on to say that an Administration leader of almost equal rank had another idea and then he gives another paragraph.

For example, there was a story - what was it, three weeks or a month ago - that said there was a possibility that I would send a message to the Congress on debts. Now, I suppose I could have stopped it by saying there is also a possibility that I will send no message to the Congress on debts. Well, that is still the situation. I don't know. I don't know any more than you do whether I will send a message or, if I did send a message, what would be in it. Now, that is literally true, I don't know.

Q Isn't there a possibility that somebody will offer a resolution instead of your sending a message?

THE PRESIDENT: No.

Q Are you giving it consideration or do you not know yet what you will do?

THE PRESIDENT: There isn't enough material to work on as yet. That is the easiest way to put it.

Q Abroad, do you mean?

THE PRESIDENT: Either abroad or here. There is no material to work on.

Q You said that our willingness to agree to the consultative pact would be dependent on something like success by the Disarmament Conference. What do you consider "something like success"?

THE PRESIDENT: I will say, offhand, that we are one hundred per cent behind the idea of taking the first step in the removal of the weapons of offensive warfare. We are for that step. And we will consider it successful if we can get a substantial part of the proposed step. We want it to be very substantial, because, actually, we would like this first step to go a great deal further than it proposes to go.

Q Is that off the record too?

THE PRESIDENT: Yes, that is off the record, all of it.

Q I wonder if we can get down to something that we can print. Eugene Black, of Atlanta, Georgia, is he going to be president of the Federal Reserve Board?

THE PRESIDENT: Yes, I sent his name up this morning.

Q Is he going to be designated as Governor?

THE PRESIDENT: Yes. I understand - you had better check

this with the Secretary of the Treasury - I understand that Mr. Black has said that he can only assume this for a few months. That is on account of personal and business reasons in Atlanta.

Q Mr. President, there is a third subject that has been very much in the print and that is the tariff. What may happen in the way of getting authority from the Congress to deal with tariff?

THE PRESIDENT: Well, that is still like the debts. There is the possibility of sending something up there in the way of a message. I think there is a greater possibility there, I would say almost a probability, but what it will be, I don't know.

I am a little bit cheered up this morning about tariff, because apparently Great Britain is going along with the temporary tariff truce, and, if we can get substantial unanimity on this preliminary tariff truce between now and the twelfth of June, when we make our motion, there will be more chance of getting the second truce to last through the Conference.

Q What other countries so far would have agreed to the truce - Italy and Belgium?

THE PRESIDENT: Italy and Germany and Belgium, I think.

Q Japan?

THE PRESIDENT: China -- I have not heard from Japan. They may have others over there but, of course, there again, Davis may have some that have come into London, but have not come here.

Q Mr. President, do you or do you not consider the solution of the war debt vital to the success of the Economic Conference?

THE PRESIDENT: Have I stopped tickling the soles of my mother-in-law? (Laughter) Yes or no.

I don't know, it is too difficult a question to answer. Are my mother-in-law's feet ticklish? (Laughter) In other words, of course some cleaning up of the debt issue would be a fine thing, but it is not necessarily tied in with the success of the Economic Conference. The two are not necessarily wired together. They may be, what shall I say, "platonic" friends".

Q Mr. President, will you permit me to ask a question on another subject? Do you consider it imperative to pass corrective banking legislation at this session of Congress -- the Glass bill -- or do you wish to

defer it. In other words, are you going to throw your strength behind it at this session or at another session?

THE PRESIDENT: I don't know. In other words, we are all working on the problem of the banking bill. There are a great many factors in it. It is a question of whether all the factors will remain in it or whether it could be worked out to just a few factors. We are still talking about the actual effect of a good many of the proposals. McAdoo was in this morning talking about it. Really, we don't know yet.

Q Let me ask one more question and I will yield the floor. As I understand it, the subcommittee recommended that private banking institutions, like J. P. Morgan, should divest themselves from their security underwriting business as the subcommittee has already provided in the case of other banks.

THE PRESIDENT: I don't know. They have not talked it over with me at all.

Q Has the public works bill been submitted?

THE PRESIDENT: We are meeting at two o'clock.

Q I will be there. (Laughter)

THE PRESIDENT: I don't know, there are lots of people coming. (Laughter)

Q Do you expect that bill to include both the public works and industrial partnerships?

THE PRESIDENT: Yes.

Q How about the Chicago trip? Have you decided definitely as yet?

THE PRESIDENT: No.

Q When the public works bill goes up, will there be a message?

THE PRESIDENT: Yes.

Q When do you think that will be?

THE PRESIDENT: It depends on the result of the conference at two o'clock today. All that will happen at two o'clock today is that we will go over all the suggestions made and have a simple discussion of those questions. Then maybe we will have another meeting tomorrow. I want to get it up as soon as I can but I am not at all certain about this week.

Q Can you give us any idea as to who will be here at two o'clock?

THE PRESIDENT: The Secretary of Labor, the Secretary of

Commerce, the Director of the Budget - those are the only ones I know of definitely - Senator Wagner, Senator Robinson and quite a lot.

(Mr. Early spoke to the President)

THE PRESIDENT: For the sake of our visitors from overseas, I want to repeat very simply that "off the record" means merely "in confidence". It is only for information to prevent, more than anything else, the wrong kind of stories from being written.

Q Do I understand that everything you said on debts is off the record?

THE PRESIDENT: Yes.

Q Your remarks on tariff?

THE PRESIDENT: What did I say on tariff?

Q You said there might be a reservation.

THE PRESIDENT: I think we can use that as background, if you want.

Q Can we say that you approve that dispatch of what Ramsay MacDonald said - the dispatch you read there?

THE PRESIDENT: No.

Q Would you regard the raising of the tariff under the provisions of the Farm Bill as a violation of all these

tariff treaties we are working for?

THE PRESIDENT: I think so. I don't think we can raise any tariffs until the twelfth of June. I don't think it would be necessary.

Q Some of the oil people would like an administrator. How can that be handled?

THE PRESIDENT: I asked several people to look into it.

Q To study whether it would fit in?

THE PRESIDENT: Yes.

Q Do you expect to see Schacht again today?

THE PRESIDENT: This afternoon, I think about three or three-thirty.

(The Press Conference adjourned at 11.15 A.M.)

CONFIDENTIAL
Press Conference #20
Executive Offices of the White House

May 12, 1933, 4.06 P.M.

THE PRESIDENT: The Farm Bill, as you know, was signed and, as soon as I have had a chance to read the 500 million dollar Relief Bill, I expect to sign it this afternoon, unless I find something wrong with it.

Q Do you expect anybody to be with you when you sign it?

THE PRESIDENT: I don't think so.

Q Has it been decided when the Farm Bill will start to work?

THE PRESIDENT: I have been talking to the Secretary of Agriculture about it and I think he is getting under way in pretty good shape, starting their hearings. The wheat people are here already, the cotton people next week, also the dairy people next week. Those are not the formal hearings that are provided for in the bill. They are just preliminary conferences.

Q Now, when the Farm Bill and the inflation measures have been signed, are you going to enter on the first step or the second step?

THE PRESIDENT: When, as and if.

Q Have you decided which one?

THE PRESIDENT: No.

Q There is an impression around the Treasury that you may not have to enter upon inflation on account of prosperity. Are you looking at it that way?

THE PRESIDENT: You think that is Treasury?

Q Some of the Treasury officials, probably.

THE PRESIDENT: (Laughter) When, as and if means that when, as and if action is taken there will be an announcement to that effect, but we cannot prognosticate.

Q Senator Wagner told us about the Public Works Bill.

THE PRESIDENT: I am going to work on it tomorrow and the next day and I hope to get at it on Monday or Tuesday. I think that -- well, what you have heard about it so far, what has been printed, is substantially accurate. It will run probably around $3,300,000,000, bearing in mind that there are additional non-budget appropriations for about $1,900,000,000 more.

That means that if I were writing the story, I would put it this way: That we are going to come awfully close to balancing the regular budget of the Government. There has been much rather loose talk about 5 billions for public works. Well, actually if we get $3,300,000,000 for public works of various kinds, we have to add to that the various sums that are being appropriated, such as the additional sum for the farm mortgages and another additional sum for home mortgages, the RFC money on

self-liquidating projects, etc. There are a dozen different items that put up to about $1,900,000,000, so that the total amount that the Government will have to finance over and above the budget would run to about $5,200,000,000. It is a very,very large sum.

Q That is for one year, is it not Mr. President?

THE PRESIDENT: I think it is expendable over a period of two years but, of course, you and I know that they might add to it during the second year. In other words, it is not a final figure for two years. We hope, of course, that as much as possible will be spent on the Public Works program during the first year because we are seeking projects that we can start as quickly as possible and trying to avoid those on which a great deal of preliminary work must be done.

Q Has it been decided how much taxes --

THE PRESIDENT: That will involve probably additional taxes for about $220,000,000. I would not guess on what recommendations I will make, that is for the raising of the $220,000,000, for the very good reason that I have not made up my own mind.

Q Will there be a sales tax?

THE PRESIDENT: I suppose there have been, I would say, roughly

in the neighborhood of thirty different forms of taxation -- oh, probably more than that, I would say, probably fifty or sixty different forms that have been suggested. We are still in the period of discussing them and literally and truly we have not made up our minds. I have to decide it probably in the course of the next 48 hours.

Q There is some talk of a bond issue which is to be sold widely, like the Liberty Loan?

THE PRESIDENT: That is an entirely different subject that you are bringing up about how to get the $5,200,000,000. I don't know how we will do that. We have not discussed that yet.

Q Have you decided how the $3,300,000,000 will be divided or allocated for public works?

THE PRESIDENT: No.

Q That is left for further discussion?

THE PRESIDENT: We have tentative figures, but they are still tentative.

Q This will be part of your Controlled Industry Bill?

THE PRESIDENT: I would put it this way: I think the probability is that the partnership with industry bill will be put into some bill, but that is not finally decided.

Q Will you tell us about the partnership with industry bill -- how that is shaping up?

THE PRESIDENT: Well, they are still in the discussion stage. Senator Wagner is having a meeting with the committee but I think the committee wants to give you the news themselves, so let them talk about it.

Q Are you reaching a point where you may require Federal licenses?

THE PRESIDENT: No, haven't got to that point. Probably the Committee of Manufacturers would very much like to have a story come from themselves. That would be all right. Get in touch with them and give them the credit for it.

Q Can you tell us where you put the oil industry in this general bill?

THE PRESIDENT: No.

Q What is the status of the Oil Bill. Mr. Ickes, I understand, has submitted a plan?

THE PRESIDENT: I am in the status on that of having half prepared a letter to the committees in Congress -- not a message -- simply setting forth what has happened up to the present time.

I think, off the record, you can guess that I will probably not make a specific request or specific recommendation to Congress, but will give them all the facts that the Secretary of the Interior has brought out up to the present time for them to act on if they want to.

Q On the subject of balancing the budget: In that process will you transfer any of the Public Works programs, or the Public Works over to the Public Works projects?

THE PRESIDENT: No -- wait a minute. I think that there are some of the river and harbor things, upper Mississippi for instance, on which work has been stopped by Executive Order, which will be transferred. The amounts, however, are comparatively small.

Q Do you care to discuss with us, in general terms, what that $3,300,000,000 on Public Works is to be spent for?

THE PRESIDENT: I wish Lewis Douglas was here because I cannot -- I can only give you such an incomplete picture. For example, highways will be included in that --

Q Grade-crossing eliminations?

THE PRESIDENT: No.

Q Naval construction, Mr. President, would Naval construction go in?

THE PRESIDENT: Probably.

Q Airplane construction?

THE PRESIDENT: That I don't know. There will be pretty wide discretion. For instance, here is a thing I can tell you off the record only; this is just for your information. On the question of airplane construction, I would like to

have a clause that will give me permission, a little later on, to put it in, but that depends entirely on what happens at Geneva. In other words, if things go through at Geneva, it would probably be out of the window and if things do not go through at Geneva, I would probably want to get airplanes.

Q Don't you think it would be a good idea to just sort of hint that? (Laughter)

THE PRESIDENT: I think you could just barely hint it.

Q Just a little? (Laughter)

THE PRESIDENT: We would much rather do all sorts of more useful things than that, if Geneva will let us.

Q But, if we have to, we will?

Q Somebody has asked if you have already hinted that?

THE PRESIDENT: Nothing;that would be like using the Big Stick.

Q The French Government has indicated that they will pay their December 15 payment if they can get postponement of the June 15 payment during the negotiations?

THE PRESIDENT: Off the record, that is not anything new.

Q It is a bit new in that it has been told to the Chamber of Deputies. That part is new?

THE PRESIDENT: Additional.

Q They said they were going to take that up with the Ambassador here?

THE PRESIDENT: I haven't heard a thing.

Q In the joint communique issued today in regard to the conversations with the German, Dr. Schacht, intimated or, rather, stressed the necessity for military disarmament. How does he reconcile that with Germany's action in deadlocking the Geneva Conference by their demand to re-arm?

THE PRESIDENT: I think you will have to ask him that.

Q There has been a proposal with respect to some power and flood-control reservoirs. I understand the engineers have made a report on it. Has it reached you yet?

THE PRESIDENT: To be perfectly frank, I never heard of it but any project of that kind, which would be possibly partly self-sustaining, would be one of those that could be considered. Of course projects that have already been engineered and surveyed will probably have more favorable consideration than projects which have not been surveyed because they are all ready to go to work on them.

Q What about the report that you are going to London. Anything more about that?

THE PRESIDENT: I have said once that I was not going. That is all I can possibly say, that I am not going.

Q There have been reports --

THE PRESIDENT: (Laughter) I am sorry to spoil a good story, but I am just plain not going. I have not even got under consideration the possibility of changing my mind.

Q In connection with Public Works, I understood you to say that you have not decided about the financing method, whether it is to be bond issues or some other kind of financing?

THE PRESIDENT: As to the method of raising money? No, that depends on all sorts of things. I don't know how we are going to do it.

Q There are other means than by bonds?

THE PRESIDENT: Yes.

Q On the Public Works, do you contemplate that part of the money will be used for slum clearance and such things?

THE PRESIDENT: I think there will be an authorization in the proposed bill for going ahead with slum clearance. The problem of slum clearance as, for example, in the City of New York is the problem of actually getting the land in big enough parcels quickly. For instance, if you start the assembly of an entire block on the lower east side, you may be able to get 38 parcels out of 40 parcels, and two owners will hold you up. The question is whether we can work out anything that will accelerate the ability

of non-profit-making local corporations in getting the land, so that if there are a couple of real estate people who hold out on you, you can go ahead and condemn that land and get the proceedings through quickly. If we can do that, we can go ahead with a great deal of slum clearance in this country. It is the practical question of getting the land.

Q You cannot take under the right of Eminent Domain?

THE PRESIDENT: I don't think you can.

Q That is what you want?

THE PRESIDENT: Yes, we are looking into that problem now to see if we can get rid of the recalcitrant minority, the same way that we want to get rid of it in industry.

Q Have you decided whether you will send a special message on tariff?

THE PRESIDENT: There is nothing more on it since last Wednesday or a week ago.

Q Much has been said on inflation. Apparently the Federal Reserve Banks have no immediate plans on open-market operations?

THE PRESIDENT: I don't think -- I haven't anything on that one way or the other.

Q Anything on the Ambassador to Germany?

THE PRESIDENT: No.

Q Are you ready to announce your delegation to London yet?

THE PRESIDENT: No.

Q Are you going away over the weekend?

THE PRESIDENT: I'm going down the river on Sunday.

Q Are you going down to the Preakness tomorrow?

THE PRESIDENT: No; I'm working on this other thing tomorrow -- the bill.

Q The only thing I am doing to do over the weekend is to see Lewis Douglas tomorrow evening and I will probably see Bob Wagner tomorrow or Sunday. We have things in pretty good shape. When it comes to the final details I will probably see Bob Wagner, and Senator Walsh and somebody from the House, I don't know who but probably Doughton, Lew Douglas, Dan Roper, Miss Perkins and Secretary Ickes and that is about all. They will be the only ones and they will drop in for an hour, just informally, to work on the bill. There will be no formal conferences.

Q In your partnership-with-industry bill, is there any provision considered for refinancing the rehabilitation of private industry?

THE PRESIDENT: No.

Q Will the 30-hour week bill to be reported to the House be shelved to make way for this partnership?

THE PRESIDENT: I don't know; that depends a little bit on the procedure up there. I couldn't tell you. You

know what happened in the Farm Relief Bill. It became three bills in one.

Q You said that there would be a possibility that you would have some request to make of Congress for authority with respect to war debts. Is it a probability now in the face of the French action?

THE PRESIDENT: There has been no change since last Monday.

Q As to the European conferences, can you give us your impression, off the record, as to whether we are getting anywhere at all?

THE PRESIDENT: I don't dare talk on it extemporaneously, that is my trouble. I would say, off the record, that things are in better shape than they were when the conferences began, because then we had nothing to go on at all and today we have something pretty definite to go on. I think the Secretary of State got word from London this afternoon -- you had better check with him -- that there is practical agreement on the part of the eight powers represented on the organizing of the conference.

Q That has been announced?

THE PRESIDENT: Now, there we have something tangible.

Q Is it tangible, considering all the reservations that have been made?

THE PRESIDENT: I think so, yes. It is pretty tangible and it is a step toward the goal. Furthermore, we are substantially agreed on the various economic principles. And I think the course of disarmament has been distinctly clarified. In other words, as a result of a month's work, the general atmosphere, I feel, is distinctly better.

Q Would there be any objection to writing generally along those lines?

THE PRESIDENT: Writing along those lines; that would be all right.

Q Has Mr. Peek accepted the position of Administrator of the Farm Bill?

THE PRESIDENT: Yes.

Q He has accepted? Will he have a free hand in promulgating the rules and regulations?

THE PRESIDENT: Yes.

Q Have you any comment on the Economy Act -- veterans' payments?

THE PRESIDENT: No, except that the Director of the Budget and General Hines are working on it. I can tell you this, off the record, that the rumors that we are going to close the hospitals are wholly unfounded. They will stay open and we will try to keep them open. I think

there has been a weakness in the Veterans' Administration and it has been in the Regional Offices. We are going to try to make the work of the Regional Offices that pass on regional cases more humane and less tied around with red tape and more practical. We want to see that they give quicker action. In other words, I am trying to get at the meat of the individual case rather than depending on definite hard and fast rules.

Q That would be in the application?

THE PRESIDENT: Yes.

Q Have you, by any chance, changed your mind on the bonus in any way?

THE PRESIDENT: No.

Q Can you tell us what time limit would be placed on the operation of those new taxes?

THE PRESIDENT: I couldn't tell you that because we haven't chosen the taxes yet.

Q Have you received a draft of the bill from Senator Wagner as yet?

THE PRESIDENT: No, not yet.

There will be a moratorium from tomorrow noon until Monday morning.

(The Press Conference adjourned at 4.23 P.M.)

CONFIDENTIAL
Press Conference #21
Executive Offices of the White House,
May 16th, 1933 - 4.03 P.M.

THE PRESIDENT: The only real bad news I have is that five gentlemen, three of them gentlemen of the press and two of them Secretaries to the President, are resigning their positions, saying over the radio last night that they had a very handsome offer to sing on the Cascaret Hour. (Laughter)

MR. EARLY: Only one of the Secretaries sang - I did not.

Q No kidding; we have been very seriously maligned. We would like a real testimonial for our friends.

MR. McINTYRE: Dutchess County sent down some congratulations today by way of Western Union.

Q The only ones?

THE PRESIDENT: They are very good judges of music in Dutchess County; that is all right.

MR. DONALDSON: All in.

THE PRESIDENT: I think it is better to have you come in this afternoon rather than tomorrow morning because most of the news broke today.

Q Some of it broke this morning.

THE PRESIDENT: If you want to ask questions, I think you had better ask them.

Q Mr. President, isn't it a fact that the very fact you sent a message to Moscow means that you recognize the existence of the Soviet Government?

THE PRESIDENT: I think probably the easiest way to answer that is this: That that list of countries was the list of the countries participating in the World Economic Conference and the Disarmament Conference.

Q Some of the people up on the Hill are interpreting that to mean that the United States -- that the next move is to recognize Soviet Russia.

THE PRESIDENT: No, that was just sent to the people participating, that is all. That is the beginning of it and the end of it.

Q Mr. President, have you received any reaction from abroad on your message?

THE PRESIDENT: No. Has anything come in over the wires of the Press Associations?

Q Our wires just say - the sum and substance of them - that they are studying it.

Q Our reports are that Italy has accepted it.

THE PRESIDENT: Really? Well, that is quick action.

Q That was the United Press report.

Q Suppose the non-aggression pacts and trouble cropped up in China? In that case, would you be permitted to send soldiers or marines there to protect our nationals?

THE PRESIDENT: That is too speculative. It is too much of an "if" question.

Q How does it apply to the South and the Far East, as far as Japan and Manchuria are concerned?

THE PRESIDENT: All I can say is that I hope this will go into effect. In other words, cross bridges such as that when we come to them.

Q I take it that this is aimed at the European situation --

THE PRESIDENT: The whole World; it is aimed at the whole world situation.

Q Is it directed chiefly to Germany?

THE PRESIDENT: No, the whole World.

Q Can you give us the names of the delegates to the Economic Conference?

THE PRESIDENT: The Secretary of State, Governor Cox, Senator

Pittman, and that is all so far. I don't know who else will go. Nobody else has been asked as yet.

Q Have you determined on the number?

THE PRESIDENT: No.

Q Mr. President, what reason have you to believe that nations which will violate the Kellogg Pact and thus violate their words, would any more observe a Pact of Non-aggression?

THE PRESIDENT: Just the general hope that nations will, more and more, respect their treaties.

Q Do you have any intention --

THE PRESIDENT: That is all you can say on that.

Q It is somewhat the same sort of type of treaty, isn't it?

THE PRESIDENT: Well, section four is a pretty stiff thing. If people sign up on section four, it is a pretty difficult thing to get around. It has to do with sending your armed forces beyond your own frontiers.

Q You regard that as an advance beyond the Kellogg Pact?

THE PRESIDENT: It is an absolutely definite thing.

Q What about the forces already on the outside, like the Japanese forces?

THE PRESIDENT: As I said, there are -- I will have to say

this off the record entirely -- there are three situations at the present time where there is actually armed conflict going on. All we can say is that we hope that those will be resolved into a peaceful situation. That is about all you can say.

Q Those conflicts are in the Far East and where else?

THE PRESIDENT: Two are in South America. One of them is the war which Paraguay has declared - I don't know whether Bolivia has declared war or not - and the other is a war going on between Colombia and Peru in which neither side has declared war.

Q In case hereafter a country, in violation of section four, did cross a border, would we consult with other signatories of the Kellogg Pact about that?

THE PRESIDENT: On consultation? Why, under the Kellogg Pact, we have agreed to consult and, of course, in a question involving the peace of the world, there is no reason why we should not consult.

Q There was some comment on the fact that there was no mention of the consultative pact in these messages.

THE PRESIDENT: I should say again, off the record, on that, that the question of consultative pacts are really

details in carrying out principles.

Q Could you tell us whether the non-aggression features of your proposal are to be made part of the Kellogg Pact, or are these new treaties?

THE PRESIDENT: Those are details I have not considered at all.

Q How long have you been working on this?

THE PRESIDENT: About four months.

Q About four months?

THE PRESIDENT: I started working on it in January.

Q Similar statements went to Italy and Great Britain. Is this a concerted thing?

THE PRESIDENT: No, I have not consulted with anybody at all on this except the Secretary of State.

Q Mr. MacDonald?

THE PRESIDENT: No. It is probably more news to them this morning than it was to the Press last night. I had no communication with them at all.

Q In considering this matter of non-aggression pacts, have you examined at all any of the non-aggression pacts that have been put into effect between Russia and her neighbors and Russia and France? Have you examined any at all?

THE PRESIDENT: No, this is world-wide.

Q Yes, I know, but I was just wondering if, in considering this matter of non-aggression pacts, you had looked into the wording of those and the effect of them.

THE PRESIDENT: No, I have not at all.

Q Under the non-agression pact, is the United States free to send Marines into Latin American countries to protect life and property?

THE PRESIDENT: Yes.

Q It would be?

THE PRESIDENT: Yes. I told you, off the record, that the places where war is actually going on have to be specially treated.

Q In China, the Marines and the others who are stationed there under treaties have nothing to do with this proposal?

THE PRESIDENT: No, it has not. Of course, our Marines and soldiers in Tientsin and Peking are there under international treaties already in existence.

Q That does not enter into non-aggression at all?

THE PRESIDENT: No. Of course, number four says specifically (reading) "I therefore propose a fourth set concurrent

with and wholly dependent on the faithful fulfillment of these three proposals and subject to existing treaty rights."

Q This will be the chief thing in the Disarmament Conference?

THE PRESIDENT: I don't know.

Q Won't you follow it up by making --

THE PRESIDENT: This was telegraphed to Davis last night.

Q Who will lay it before the Disarmament Conference?

THE PRESIDENT: I don't know.

Q Did he have instructions to that effect?

THE PRESIDENT: I don't think any instructions have gone out.

It is a statement from his own government.

Q Do you care to say at this time whether you are willing to participate in an international commission to supervise disarmament?

THE PRESIDENT: I have not considered that at all, Steve.

(Francis Stephenson)

Q Mr. President, have you considered the possibility --

THE PRESIDENT: In other words, these are principles. We have not gone any further.

Q Have you considered the possibility of sanctions against aggression?

THE PRESIDENT: No; that would be the same thing, it would be a method of carrying out the principle.

Q I assume that Secretary Hull will be Chairman of the Economic delegation, won't he?

THE PRESIDENT: Yes.

Q Will Cox act in his stead when he comes back?

THE PRESIDENT: I don't know; I have not considered that.

Q Will you send up a message tomorrow?

THE PRESIDENT: I hope so, if Mr. Douglas and I get finished this afternoon.

Q Are you ready to recommend any specific tax yet?

THE PRESIDENT: That we don't know yet. It is literally true that our batting average has been perfectly terrible on that. The team has got to improve its average.

Q We will have to have help.

Q I think the captain isn't giving the signals right.

THE PRESIDENT: As a matter of fact, it really is true, just as much as it was last week, that we have not decided on what we are going to say about taxes.

Q Some of the conferees said that they did not see how you could get it except through a sales tax.

THE PRESIDENT: I don't know. It is literally true that we have not made up our minds as to what we are going to say to Congress tomorrow.

Q Are we going to let Congress write in the tax --

THE PRESIDENT: We have not made up our minds as yet.

Q Are you going to Chicago for the World's Fair; do you know yet?

THE PRESIDENT: I don't think I dare go. I have asked the Vice President to go in my place.

Q That is definite, is it not?

THE PRESIDENT: There will be a statement for you after the conference on that. You see, with this thing breaking here, I do not see how I dare be away for a couple of days.

Q Did you get a message from eight governors, with the exception of Governor Horner, asking you for something on this proposed St. Lawrence Waterways?

THE PRESIDENT: I might have a telegram or a letter.

Q Do you intend to go into it?

THE PRESIDENT: As to that again, I don't know.

Q Regarding public works, can you safely say that it will be a bond issue to cover the cost?

THE PRESIDENT: No, Fred, I frankly don't know how the actual money will be raised. That will depend on the Treasury program. I don't think we can make any guess on it.

Q Are you working on it?

THE PRESIDENT: In other words, it will be up to the Secretary of the Treasury to get the money. It may be a bond issue, it may be a short-term loan from the banks, or a long-term loan from the banks. We will leave it to the Secretary of the Treasury to get the money.

Q Would you require additional authority in that respect?

THE PRESIDENT: No, he will do it under his existing powers.

Q In other words, there is no intention of your going out to borrow three billion three hundred million dollars or five billion two hundred million dollars through bond issues. What you are going to do is to borrow when and as needed, isn't that correct?

THE PRESIDENT: Yes. I don't know the method. The Secretary of the Treasury has all sorts of methods to get money for the Treasury and he may use any or all of those methods.

Q How can you determine how much taxes you need to raise?

THE PRESIDENT: The amount appropriated is three billion

three hundred million dollars and in some way, under the many methods which the Secretary of the Treasury can use, we are going to raise three billion three hundred million dollars. We do not need to raise it all at once because it will be a long while before we need the amount for payrolls and contracts and things like that. That is why you have to have taxes.

Q The point is that you may not need all of it for recovery and then if you do not spend it you will be in the position of raising larger taxes than you may have needed?

THE PRESIDENT: Yes, but the tax, whatever it is, may be reduced or eliminated by the President.

Q Then it would be flexible?

THE PRESIDENT: Yes.

Q Is the proposed tariff bill also going to make it obligatory not to have any inflationary moves? I understand it to say that economic conditions shall not be changed until after the Conference. If you did anything of an inflationary character would not that change economic conditions?

THE PRESIDENT: What do you mean? Do you mean on the tariff?

Q Does not that propose that we shall not change economic conditions until after the conference?

THE PRESIDENT: I don't think it says that. I have forgotten the actual wording, but it certainly did not say that.

Q Wouldn't anything of an inflationary character change the tariff duties and the economic conditions somewhat?

THE PRESIDENT: Not necessarily.

Q As to the money for this three billion three hundred million dollar public works program, if provision two of that inflation bill was applied - that is the greenback provision - would that nullify the necessity of raising money to pay it off - to amortize it? In other words, suppose you financed some of these public works by applying the inflation bill, which permits the Government to create three billion dollars in currency.

THE PRESIDENT: No, that is three billion dollars in currency to buy outstanding Government obligations. That is a very different thing. You cannot just start the printing presses going.

Q I am talking about the provision which permits the Government to create three billion dollars in currency.

THE PRESIDENT: It merely lets you substitute three billion dollars in currency for three billion dollars existing debts. That is a very different thing from what you are saying.

Q Does that apply to the section that permits the issuance of three billion dollars in greenbacks?

THE PRESIDENT: It does not apply, unless you put the clause on that they are to take the place of three billion dollars of bonds.

Q There is a provision there for three billion dollars of Federal Reserve Bank notes.

THE PRESIDENT: That is a different thing. Those will be issued against different assets which are turned into the banks.

Q That is the provision I had in mind. If you applied that provision, used the money raised through that provision to pay off some of these public works, would you still have to raise money for additional taxes in order to amortize that debt?

THE PRESIDENT: Oh, yes; but you do not pay for these public works by printing greenbacks. You cannot do that.

Q Why not?

THE PRESIDENT: How could you?

Q Well, you have so much in the way of Government assets. There is nothing to prevent the Government from issuing Treasury notes or Federal Reserve notes against those and paying off these obligations.

THE PRESIDENT: Nothing. Go ahead, Lewis.

MR. DOUGLAS: If the Government borrowed directly from the Federal Reserve Banks, it still has to pay interest on the sum it is borrowing and still has to make provision for amortization. Under the greenback provision, there is no authority to issue greenbacks except for the purpose of meeting maturities or for the purpose of purchasing bonds and other existing forms of Government obligations.

Q Have you decided on what you are going to do with the Thomas amendment, or are you going to let it ride a while?

THE PRESIDENT: When, as and if.

Q Has anything been done on the Veterans thing?

THE PRESIDENT: I am waiting on a report from the Veterans Administration.

Q How about the liberalization of service-connected cases?

THE PRESIDENT: That is being gone over at the present time and there will be new regulations after the first of July.

(The Press Conference adjourned at 4.20 P.M.)

CONFIDENTIAL
Press Conference #22
Executive Offices of the White House,
May 19th, 1933 - 10.34 A.M.

THE PRESIDENT: Good morning, what is the news?

Q That is what we want to get.

THE PRESIDENT: Everything is all quiet.

Q Can you give us any background on this so-called dispute down at the Department of Agriculture with reference to the administration of the Farm Relief Bill?

THE PRESIDENT: I never heard of any; it is news to me.

Q There seems to be a difference between Mr. Peek's philosophy and the philosophy of one or two others down at the Department.

THE PRESIDENT: I never heard of it; it is a new one on me.

Q Will you ask Congress this week for power to make reciprocal tariff agreements?

THE PRESIDENT: I haven't done a thing about tariff and I haven't done a thing about the treaties. That is exactly in the same status it was in a week ago, two weeks ago, a month ago.

Q What is the status of reorganization?

THE PRESIDENT: What reorganization?

Q Government reorganization?

THE PRESIDENT: Lewis Douglas is going down the river with me tomorrow and Sunday. We are going to spend the night on the boat and we will probably take up for the first time the question of reorganization. That is as far as we got on that.

Q How about debts - anything new on that?

THE PRESIDENT: No.

Q Congress is ready to adjourn the middle of June.

THE PRESIDENT: Are they? (Laughter)

Q Well, perhaps. (Laughter)

THE PRESIDENT: You are just like George Morris in Albany. You always start off by making an interesting statement and then predicating the question on the interesting statement. (Laughter)

Q You say there is nothing new. Will there be anything new? Will you let the situation go on as it is?

THE PRESIDENT: I don't know. I haven't any idea any more than you have.

Q You must have. (Laughter)

THE PRESIDENT: No, I have not.

Q Are you contemplating going to the Bonus Camp? There has been something written on it.

THE PRESIDENT: I believe - you know I have been working really day and night. I don't believe I can get off.

Q Do you still feel optimistic about the Geneva Arms Conference?

THE PRESIDENT: Put it this way: I think I feel the same kind of optimism that everybody else does, but I have not any more reports or information about it than what they have. I have had replies from different heads of nations and we have these reports from a number of ambassadors and others from our embassies and legations. We have not heard anything further, but I should say that the general tenor of the reception, both on my cable and on Hitler's speech, has distinctly not only eased the situation but has improved the whole tone of the Conference itself. And if the action, or, rather put it the other way around, if the intent as expressed can be translated into similar action, we really ought to get somewhere and get something definite done.

Q There was a cable from Paris this morning that some French senator asked for a five percent cut in the Army and that Premier Daladier got up and made a speech and said "Nothing doing".

THE PRESIDENT: A five percent cut?

Q A five percent cut in the French Army.

THE PRESIDENT: I hadn't heard.

Q Nothing on that, then?

THE PRESIDENT: No.

Q He further said that it was impossible to go on because they had already reached the limit and could not further disarm. There is a meeting at Geneva tomorrow and that brings it into a rather queer situation.

THE PRESIDENT: I don't think so. This is a perfectly simple situation. Nobody is cutting their armies until we get an agreement from everybody to cut. Nobody could go before Congress and say, "Please make these cuts now," until we get an agreement on which to base it.

Q But Congress will pass anything. (Laughter)

Q Have you finished your selection of delegates as yet?

THE PRESIDENT: I have not done anything further than those three I mentioned the other day. I am going to talk about it this afternoon.

Q Who are you going to talk with?

THE PRESIDENT: The Secretary of State.

Q With respect to reports about cooperating with the rest of the world, is it not a safe assumption that you do not expect any development at Geneva which will get us into foreign entanglements or alliances?

THE PRESIDENT: I think that is a perfectly safe assumption.

(Laughter)

Q Is anything going up on oil today?

THE PRESIDENT: I am sending up a letter today.

Q And the legislation too?

THE PRESIDENT: No, I am simply sending up a letter transmitting the facts and the recommendations as found by the Secretary of the Interior.

Q Is that a message to Congress?

THE PRESIDENT: A letter to the Speaker and the Vice President, not a message.

Q Does that provide for legislation?

THE PRESIDENT: What I am doing, and I think this is just for background, is this: The general thought is that on the oil problem it may be possible - and I think it is a matter for the Committee to work out - it may be necessary to put something additional into the industry partnership bill. The oil situation is a little bit

different from other industries but it would be better to bring it in as part of that bill rather than to have action on it by a separate bill.

Q Do you mean, Mr. President, because there are three or four different businesses in producing, refining, pipe lines and so forth?

THE PRESIDENT: Yes.

Q Any officials going with you on this trip?

THE PRESIDENT: No, just Harry Roosevelt going along with me.

Q Can you confirm for us those reports in the papers this morning that we are seeking stabilization of all currencies in advance of the World Economic Conference?

Q Off the record.

THE PRESIDENT: That is new to me.

Q Mr. President, is there any Ambassador to Berlin in sight?

THE PRESIDENT: Not yet.

Q Do you care to say which of the four tax plans submitted by the Director of the Budget, Mr. Douglas, you favor?

THE PRESIDENT: I don't favor any of them.

Q You are leaving it to Congress?

THE PRESIDENT: Yes, it is up to Congress next week.

Q What do you mean next week?

THE PRESIDENT: Just what I said in the message.

Q But, if Congress does not get together, would you recommend one?

THE PRESIDENT: You had better quote the exact language.

Q You said that you could not expect them to reduce armies until you got an agreement. Does that mean that there will be no cut in the enlistment under your economy program?

THE PRESIDENT: Ed (Roddan), I have not gone over the exact figures. There will be, probably, a cut in officers in both Army and Navy for the simple reason that we are at the present time, as everybody knows, over-officered. We can get on with a good many less. This is off the record because I haven't got the exact figure, but approximately it is this: When I was in the Navy Department in 1916, before the War, the Navy appropriation was approximately the same as it is today and we had, as I remember it, about one hundred and seventy officers in the Navy Department. Today, with exactly the same appropriation, there are about four hundred and fifty officers in the Navy Department. Now, that is the kind of checking up that I am doing

and it would seem reasonable that if we had a fairly efficient Navy with a hundred and seventy officers in 1916 that we do not need four hundred and fifty of them in the Navy Department at this time. Probably we cannot cut it down to a hundred and seventy but probably three hundred, or something like that, would be all right.

Q That is off the record?

THE PRESIDENT: Yes, that is off the record, merely to give you an idea of the kind of relative examination that I am making.

Q Will there be any cut in the enlisted personnel?

THE PRESIDENT: That I could not tell you because I have not gone over it with the Secretary of War or the Secretary of the Navy.

Q What about your talk with General Johnson?

THE PRESIDENT: Nothing on that. I talked with General Johnson about the possibility of all sorts of organization plans for public works and for the industry end of the bill. I am just trying to take time by the forelock so that, if the bill goes through, we will have studied the administrative set-up. That is as far as we got.

Q Anything about your appointments on the Muscle Shoals Commission?

THE PRESIDENT: The only person I have asked to go on the Muscle Shoals Authority is Dr. Arthur Morgan.

Q Is he President of Antioch College?

THE PRESIDENT: He is President of Antioch College, but, probably more than any other man in this country, has carried through similar projects. He was in charge, for instance, of flood control on the Miami River up above Dayton after the Dayton flood in 1913. They spent on that one river alone, for flood control, about fifty million dollars. He has probably had more experience in that line of work than anybody in this country.

Q Are you considering Mr. Scattergood of Los Angeles or --

THE PRESIDENT: I think there are about a hundred and fifty other names under consideration but nothing has been done. It would not be fair to mention any individual names because I haven't any idea.

Q Has Dr. Morgan accepted?

THE PRESIDENT: Yes.

Q That makes him the head of it, does it not?

THE PRESIDENT: Yes, he will be the Chairman.

Q Referring to Hugh Johnson, it is said you offered him a position.

THE PRESIDENT: No, nothing has been done. We talked over the administrative set-up and that is all.

Q Speaker Rainey and others were here yesterday to see if you could put the Glass banking bill on the Administration legislative program, and they did not say whether they could or not after they left.

THE PRESIDENT: They were right.

Q What is it on today?

THE PRESIDENT: No, we were just discussing it.

Q Reports from Geneva indicate that the exporting countries have agreed on a ten per cent cut on wheat. Would that be carried out by the terms of the Farm Bill in this country?

THE PRESIDENT: I think it is a little bit premature to put it that way. What we are trying to do on wheat is to get all the exporting wheat countries together on some method of reducing the world wheat surplus so as to stabilize world wheat prices. Proper reduction is, of course, one of the methods of doing it

and, for the first time, the United States is in a position, because of the Farm Bill, to make an effort to go along if the other nations agree to do the same thing. That is about as far as we have got.

Q Mr. President, can you tell us whether Harry Hopkins is going to head this five hundred million dollar relief organization?

THE PRESIDENT: All I can tell you on that is that I have had no communication with him. Governor Lehman is very, very much opposed to his leaving New York and I don't want to take him away from New York if I can possibly help it. In other words, I am looking for somebody else but if I cannot find anybody else I am asking him to come down here. That is far as I got.

Q He loses about five thousand dollars a year in salary.

THE PRESIDENT: Oh!

Q Has any consideration been given to the advancing of any funds in the Wagner bill to States which are in need of additional relief pending appointment of the Administrator?

THE PRESIDENT: That is the problem; the thing expires on Saturday and I have to try to get somebody by Saturday.

Q Can you tell us anything further about a joint statement by Pani, the ~~President~~ Minister of Mexico?

Q Yes.

THE PRESIDENT: No, I don't believe I had better because they are working on it at the present time.

(The Press Conference adjourned at 10.50 A.M.)

CONFIDENTIAL
Press Conference #23
Executive Offices of the White House

May 24, 1933, 10.35 A.M.

THE PRESIDENT: What I am going to say to you is just between us and in the family. I have begun to get a lot of what might be called entreaties from the various departments for me to talk to you. I am not going to do it yet because we will wait until what I call the silly season which is July and August.

Q Those are the dark days?

THE PRESIDENT: Henry Morgenthau sent a long request to explain the Farm Credit Bill to you and the Secretary of the Interior wants me to tell you that I want everybody to go to the National parks this summer (Laughter).

Q What will we use for money, Mr. President?

THE PRESIDENT: You can get a free trip there if you join the Park Service. I thought I would not start in on anything like that until July or August and we will need a lot of that then, because there won't be any news.

I don't think there is any other news that I have.

Q Is there anything new in the local situation with regard to the District of Columbia Government -- the District Commissioners?

THE PRESIDENT: No.

Q We were under the impression that you were not in favor of imposing these import taxes under the Tariff Bill during the tariff truce. The indications are that you may have changed your mind. Is that so?

THE PRESIDENT: No, neither is true. In other words, as the original tariff truce was drafted, it would have been a doubtful question but, as it was finally approved, -- I cannot remember the exact language, but it was to the effect that no tariff changes would be allowed which changed the actual status quo. Now, a very small import tax, as I understand it, to go on in conjunction with the processing tax would not change the status quo. Importers would have exactly the same rate as they had before. It does not change the status quo. Secretary Hull has gone over it quite carefully and he says that it does not, in effect, raise the import tax.

Q Is it the intention to put it on?

THE PRESIDENT: I don't know.

Q It is mandatory in the act?

THE PRESIDENT: I think it is. I think it goes hand in hand, as I remember it, with the processing tax.

Q What happened to that tariff truce, Mr. President?

THE PRESIDENT: The tax?

Q No, the tariff truce.

THE PRESIDENT: It has been signed by the eight powers.

Q It has?

THE PRESIDENT: Oh, yes. By "signed", I mean it is the joint statement of the eight powers on the Organizing Committee, which they agreed to and sent out to all nations.

Q But it has not been put into effect, has it?

THE PRESIDENT: Oh, yes; it is in effect today.

Q What progress have you made on the reorganization on which you started to work on Sunday on the boat?

THE PRESIDENT: I had grand intentions and that is as far as we got. We brought down a large package with all the figures and all the departments and bureaus and we brought it ashore unopened. I did not want to spoil the Sunday -- the Monday morning story, so now you don't have to say anything more about it. We haven't touched it yet. But, as a matter of fact, Lew Douglas is working on it and yesterday I did some preliminary work on it and I think we will get something out by the beginning of the next week. The intention is to get it up to Congress a week before they adjourn so as to give them plenty of time to make any changes, if they want them made.

Q Have you any fixed figure as to how much you want to save?

THE PRESIDENT: No.

Q Is it proper to ask whether Secretary Roper's call today has anything to do with it?

THE PRESIDENT: I don't know.

Q He is down on the appointment list for 11:15?

THE PRESIDENT: Yes. I think he is going to talk to me about one phase of it, within his own department.

MR. McINTYRE: He said he only wanted five minutes.

Q Can you tell us about the tariff resolution?

THE PRESIDENT: Nothing further; I haven't talked with Secretary Hull about it either.

Q France seems to have thrown another monkey wrench into the Disarmament Conference. They insist that instead of scrapping weapons, some should be kept for use by the League against an aggressor nation.

THE PRESIDENT: What will they do with them?

Q Keep a certain amount in the respective countries for use by the League against an aggressor?

THE PRESIDENT: I could only talk about that off the record. If you are going to eliminate guns, it is better to keep them about 5,000 fathoms. That is the best and safest place for them.

Q Down with the German fleet (Laughter).

Q Have you made any further progress on the selection of the American delegation to the London conference?

THE PRESIDENT: No, only Chairman McReynolds -- I think it is perfectly all right to announce him.

Q Is Hugh Johnson still holding out for more money? (Laughter)

Q Will the delegates be allowed their expenses. There is some doubt about that?

THE PRESIDENT: I think they only get $6 a day.

Q Isn't that one of the difficulties -- trying to get more?

THE PRESIDENT: No, they are not going to ask for more than that.

Q That is all they are going to get?

THE PRESIDENT: Yes; that is what Congress says.

Q Isn't there danger of somebody offering them a good meal over there? (Laughter)

Q They would have to go to those weekend parties they have? (Laughter)

Q In regard to the tariff resolution, is it still your intention to send it up to Congress?

THE PRESIDENT: I think it is probable. I have not got beyond the word "probable" yet.

Q Do you know what form that will take?

THE PRESIDENT: No; I haven't any idea.

Q There is a good deal of speculation as to what the position of the Administration is on the Glass Banking Bill. First it is one and then it is the other, the last few days.

THE PRESIDENT: Off the record, the thing changes so fast from hour to hour that I can't say anything about it. It is changing every minute.

Q Has it changed enough to get it through this session?

THE PRESIDENT: I don't know.

Q What do you think about the Morgan show up on the Hill -- off the record?

Q No, on the record. (Laughter)

THE PRESIDENT: That is purely within the jurisdiction of the legislative branch of the Government. (Laughter)

Q Mr. President, are you ready to announce any appointments in the Federal Reserve?

THE PRESIDENT: No. I am talking to Secretary Woodin about that some time today, if we can find time. There are two other vacancies, aren't there?

Q I think there are.

Q Mr. President, they started inflation yesterday. Is that going to remain only 25 million?

THE PRESIDENT: You know just as much as I do. I don't know. I think the Treasury announced something last night, did they not, about 25 million dollars?

Q Yes.

THE PRESIDENT: In other words, Charlie (Hurd), on a thing like that no human being can say what the next step will be.

I cannot outline, week by week or month by month, what action will be taken. It depends on the financial situation week by week.

Q You cannot decide on the financial policy?

THE PRESIDENT: It depends on conditions week by week. I am sorry that I cannot give you anything more definite. I know the Times would like the thing scheduled so that between now and next November you would know the exact amount of purchases.

Q There are other people besides the Times?

THE PRESIDENT: They are the same element, though. (Laughter) We have got a perfectly good policy but I can't tell you from week to week what the amount will be.

Q Do you care to comment on the New York vote on the Repeal?

THE PRESIDENT: No, except that my district went wet.

(Laughter)

Q Anything further toward stabilization of currency?

THE PRESIDENT: How do you mean that -- on an agreement?

Q Yes.

THE PRESIDENT: No, nothing at all.

Q Anything doing on stabilization of the dollar in international exchange?

THE PRESIDENT: No.

Q Nothing in sight?

THE PRESIDENT: No.

Q Does the appointment of Professor Sprague indicate that there will be stabilization?

THE PRESIDENT: I think I can tell you off the record -- this is really off the record -- that we are patting ourselves on the back because Sprague is a perfectly good American and he has been one of the financial advisors of the Bank of England and he knows, probably, the foreign exchange situation as well as anybody in the world. He is coming to us at a very great financial sacrifice so that we will have all the inside dope about what everybody is doing in the other countries. It really is a grand stroke for our Government to get Sprague back here, but it does not mean any policy. I do not know what is going to happen.

Q Any possibility of him going to the Economic Conference?

THE PRESIDENT: I don't know; I do not think that has been decided, but it is perfectly possible.

Q It would be an advantage --

THE PRESIDENT: Yes, but of course you must remember that on the Economic Conference I have to keep somebody back here to hold my hand.

Q When are you going to reconstitute the RFC by filling

its vacancies with a couple of Republicans?

THE PRESIDENT: I wish you would tell me. I haven't got around to it.

Q Take care of the Democrats first? (Laughter)

Q Mr. President, can you tell us whether you have replied to the communication La Follette and Vandenberg and others sent in regard to -- (interrupted)

THE PRESIDENT: I have not, but I can tell you, off the record, that it presents really a question of fact as to whether they are right in saying they have the votes for it or whether the other fellows are right in saying they have not got the vote. That is really the situation. There is no question about my being for the St. Lawrence Treaty and if we have the votes for it, it means cloture in the Senate. I would like to see it go through now. On the other hand, if it means two weeks of debate with the question of whether it goes through in the end in doubt, I think it better not to take it up.

Q Has there been any thought of holding the Senate over for a special session with a view to the St. Lawrence Treaty?

THE PRESIDENT: No, I want to go off on that cruise.

Q Are you having trouble getting Republicans on the delegation on account of the tariff issue?

THE PRESIDENT: No; nobody ever suggested it.

Q I know, but you don't seem to have any yet. (Laughter)

Q Do you figure on diplomatic relationships with the Soviet Republic? (Laughter)

THE PRESIDENT: Well, I have nothing to be said on that.

Q Is it necessary to have that tariff resolution passed before the delegation goes to London?

THE PRESIDENT: No. Obviously, of course, I should like to get it passed before the present special session adjourns, if I send it up. We have not definitely decided it because I have not got down to the question of wording. It looks probable that I will send something up.

Q Do you care to comment on the Republican criticism directed toward the bill now in Congress to the effect that it soaks the poor and the small man and does not impose any additional burdens on the higher brackets?

THE PRESIDENT: I thought it did impose additional burdens on the higher brackets.

Q I beg your pardon?

THE PRESIDENT: I thought it did impose additional burdens on the higher brackets.

Q I mean in the tax increases?

THE PRESIDENT: Yes. What I tried to make perfectly clear on this tax legislation is that we hope it is merely a temporary thing. It is my own personal impression that

if the Repeal Amendment goes through, it will automatically end these special temporary taxes.

Q Mr. President, is the Administration in favor of the tax legislation which includes the extension for a year of the four excise taxes on lumber, copper, oil and coal?

THE PRESIDENT: I should say yes, for the very simple reason that it is better to get that out of the way this year -- to get it extended this year.

Q Mr. President, there has been some report about Senator Wadsworth being in the Economic Conference?

THE PRESIDENT: I cannot tell you yet; I wish I could.

(The Press Conference adjourned at 10.52 A.M.)

CONFIDENTIAL
Press Conference #24
Executive Offices of the White Office

May 26, 1933, 4.15 P.M.

(Present: The Secretary of State and
Viscount Kikujiro Ishii.)

THE PRESIDENT: I hope you all discovered the bulletin in The Star this evening, "President Roosevelt Has Decided United States Should Go Off the Gold Standard" (Laughter). That is the third time in two months.

Q Is it true? (Laughter)

THE PRESIDENT: I think the statement carries the story all right. In other words, the bill that has gone up there merely makes a record of what is already the de facto situation.

Q How much of these Treasury obligations are going to be issued on June 5, Mr. President?

THE PRESIDENT: I have no idea what they are going to issue or whether they are going to issue any on the fifth of June.

Q There was a memo gotten out over there to the effect that on the fifth of June there were going to be Treasury obligations issued?

THE PRESIDENT: I don't know; that is news to me.

Q That is the regular financing date?

Q June 5 or June 15?

Q To be announced on June 5 and to be issued on June 15.

Q That is quarterly?

Q There seems to be some conflict in the discussion between various members on the Hill as to the inflationary possibilities of this bill. I don't see any.

THE PRESIDENT: Nothing to do with inflation at all that I know of.

Q Is this a repeal of the 1900 Standard Gold Act?

THE PRESIDENT: I couldn't tell you. I don't know what the 1900 Gold Act was. It simply means that by statute we will pay in United States currency, just as we are doing today.

Q It legalizes what we are already doing? (Laughter)

Q Mr. President, what effect will that have on the foreign debts. Do they have to pay in United States currency or in gold, as the contract provides?

THE PRESIDENT: I don't know; I have not thought of it.

Q There was a discussion of that up on the Hill today in which they said that they could pay their debts in any kind of currency they choose?

THE PRESIDENT: I should say, offhand, that I am open to suggestions of any kind as to payment. (Laughter)

Q Have you had any such suggestions?

THE PRESIDENT: No.

Q In that connection, Herriot, before the Chamber of Deputies today made a speech in which he said you insisted that, as a part of any further consideration for France on debts, that she pay her $19,000,000 which was due last December 15. Has he a pretty good memory?

THE PRESIDENT: I think so.

Q Is there any conflict between this bill and the clause in the Thomas Amendment to the Farm Bill, that was called the Inflation Bill, under which the gold content of the dollar could be cut to 50 per cent?

THE PRESIDENT: Oh, no; there is no relationship.

Q Does it eliminate the prospects of any act?

THE PRESIDENT: Oh, no.

Q Does this change affect our position at the Economic Conference?

THE PRESIDENT: I do not think it has any effect on the discussions there at all.

Q It was not motivated in any way by that?

THE PRESIDENT: No, it had no relationship. I think Steve's (Stephenson) suggestion was about right. In other words, to do what we are doing is to tell people that they cannot have gold in their private possession in this country. Why go through the rigamarole of paying them the gold and then tapping them on the shoulder and taking it away from them. Why not pay them currency in the first instance.

It is practical.

Q Do you care to say anything about the World Economic Conference as to our own individual program that will be followed?

THE PRESIDENT: No. The delegates will have what might be called "general instructions" before they go. Those general instructions, in general, will follow the line of the accord on principles that we have made in these discussions with other nations during the past six weeks. It will only be general in form. They will establish certain principles for which we will work.

Q Has the personnel been fixed as yet?

THE PRESIDENT: Only the four names you have so far.

Q Will that be extended?

THE PRESIDENT: I don't know.

Q Have you decided as yet as to whether you are going to send up a tariff resolution?

THE PRESIDENT: I have not done a thing about it as yet. The status quo is as it was a month ago.

Q Can you tell us whether reorganization is in the same category?

THE PRESIDENT: Except that we have made a good deal of progress on it. We have got somewhere.

Q Will it come out next week?

THE PRESIDENT: Yes, I think so.

Q How about the Pure Food & Drug Act?

THE PRESIDENT: No. I can tell you, off the record, they have been working on that in the Department of Agriculture and I have not seen it. One of the first things we did, I think, when we came down here was to work on it. We wanted to introduce it at this session so that the committees could get to work on it, but I did not consider it such a matter of emergency legislation as to keep this session here. I do not think there is any necessity for it at the special session. The idea is just to get the thing in so that they can chew on it this summer and fall.

Q Does that carry censorship of advertising?

THE PRESIDENT: I have no idea; I haven't seen it or discussed it in any way but, if advertising is put in, it is put in merely for the purpose of discussion and not with the idea of passing it in special session.

Q Going back to the World Conference, do you see any conflict between some of the basic measures that have been put in effect here or are about to be put into effect and the general program of breaking down the trade barrier?

THE PRESIDENT: No, I don't think there is any conflict at all. We are trying to frame emergency measures so as

to foster international trade.

Q But wouldn't they tend to foster an isolation policy. Wouldn't they require for their successful operation a rather closed door and a policy of isolation?

THE PRESIDENT: Oh, no, not necessarily. Of course, our hope is that we will raise commodity prices not only here but all over the world. That is the real international objective. Of course, as to certain things in which we have a very large surplus, like wheat, for instance, there it becomes a question of getting the countries that are in the same condition, like the Argentine and Canada and Australia, that also have surpluses, to try to work out some world method for the disposal of the surplus. Obviously, we are not going to bring in Australian or Argentine wheat here any more than in the past.

Q That would be another policy, trying to get everybody to do the same thing we are trying to do?

THE PRESIDENT: What we are trying to do is to raise the level all over the world.

Q Mr. Baruch has said that under the Industrial Recovery Bill, which would raise wages, that higher tariffs would be necessary to protect the American market?

THE PRESIDENT: Not necessarily; it depends entirely on the individual product and, if commodity prices are raised in proportion in other nations at the same time, the present

tariff will be equally protected. [protective?]

Q Can you tell us what you are talking to Viscount Ishii about?

THE PRESIDENT: I think about everything. We have had a most interesting and satisfactory talk.

Q When will you sign the Securities Bill?

THE PRESIDENT: Has it come down yet?

Q It is here.

THE PRESIDENT: Either tonight or tomorrow morning. I will sign it before going on the boat tomorrow. I haven't read it yet.

Q Who will go with you this weekend?

MR. EARLY: Let us make that for tomorrow.

THE PRESIDENT: Steve says let us make it for tomorrow.

Q Anything you can say about the preferred list of customers of Morgan? To make it general, although I would like to make it specific -- (interrupted)

THE PRESIDENT: You asked me who is going down on the boat with me? (Laughter)

Q Yes.

THE PRESIDENT: Secretary and Mrs. Woodin (Laughter).

Q Is this a pleasure trip? (Laughter)

THE PRESIDENT: And Dr. Cary Grayson and Mrs. Grayson.

Q Are you taking any business with you?

THE PRESIDENT: No.

Q How long do you expect to be gone?

THE PRESIDENT: Just overnight. Get back Sunday.

Q Nobody going to have to walk back home? (Laughter)

Q The Disarmament Conference apparently is on the rocks again over there. Are we correct in assuming -- (interrupted)

THE PRESIDENT: You ought to start that "it is my assertion".

Q Are we correct in assuming that our efforts at cooperation with the rest of the world for disarmament is contingent upon such disarmament by the rest of the world. That was the original principle, was it not?

THE PRESIDENT: In other words what you want to know is whether our effort is dependent on all nations going along on disarmament. Of course that is the whole object of the Disarmament Conference. The Disarmament Conference will either accomplish something for disarmament or it won't. If we don't accomplish anything for disarmament, I cannot see any use in staying on.

Q Have you any new delegates to the London conference?

THE PRESIDENT: No, no new ones yet.

Q There has been some talk of what orders have been issued regarding Dam No. 3 on Muscle Shoals. Has work on that been ordered stopped?

THE PRESIDENT: Steve (Stephenson) I cannot tell you the facts, because I don't know them all. I am told and I am now checking it up to see whether it is true that the only work proceeding on Dam 3 is the canal locks -- the navigational locks -- and I am also told that one dam is built half way up or all the way up where it is merely a navigational dam and that this lock will be used for navigational purposes. In other words, it has no relationship to the height of the dam. Now, if that information is correct, they will go ahead and build the lock. If it is not correct, they will stop building the lock.

Q Did England and other countries take the same action we did when they went off the gold standard?

THE PRESIDENT: You mean about payment on their bonds?

Q Yes, payment on their bonds.

THE PRESIDENT: As I remember it, and you will have to check on this, no British security is payable in gold. Am I right on that?

Q Yes, in sterling.

THE PRESIDENT: It is payable in sterling and not gold.

Q In other words, they did not have the gold clause and we did?

THE PRESIDENT: Yes.

Q Can you tell us more about your pleasant talk with Ishii?

THE PRESIDENT: No, I don't think so; I think there will be a communique tonight or tomorrow.

Q On this Morgan business, James Roosevelt made a Roosevelt Day Speech last night discussing it, in which he said the law was more at fault than the Morgans?

THE PRESIDENT: Jim did? Mac, he did not submit it to me first?

MR. McINTYRE: Right; that is his own view.

Q It is his own view?

THE PRESIDENT: I will have to make it perfectly clear that Jim is more than 21 and that I have not seen him for ten days.

Q Have you found out whether there is anything on the La Follette two-thirds vote on the St. Lawrence Waterways?

THE PRESIDENT: I haven't had any report on it at all. I hope that Bob is right.

Q How about the prospects of a message on the St. Lawrence Treaty this session?

THE PRESIDENT: That is so. If Bob La Follette is right, fine.

(The Press Conference adjourned at 4.30 P.M.)

CONFIDENTIAL
Press Conference #25
Executive Offices of the White House,
May 31st, 1933 - 10.37 A.M.

THE PRESIDENT: My chief concern this morning is a telegram from Meriweather County, Georgia, about the peach crop.

Q Was it a good crop?

THE PRESIDENT: No, apparently something the matter with the freight rate situation. (Laughter)

Q Are you going to do anything about it?

THE PRESIDENT: No, I don't know anything about it right off. I will have to find out. Luckily, I gave up peaches about two years ago. I made a loss for three years running.

Q Mr. President, can you tell us anything about the debt negotiations with the other countries, particularly Great Britain?

THE PRESIDENT: No, but I will tell you what I can do about debts. I can talk in the family for about five minutes. It may be awfully rough but it is only in the family.

Q You may.

THE PRESIDENT: Now this is entirely off the record - I mean only between us boys and girls. I don't mean this to

apply if the press writes the story or lets some members of the Senate decide who is going to leave my Cabinet and who is going to enter my Cabinet. That happens to be my business - there are no changes contemplated - but I suppose it does make copy. Luckily, that is a domestic problem and the people in this country are accustomed to that kind of a story. Ninety-five per cent of the people in this country discredit and discount that kind of a story out of Washington because we have been so accustomed to that kind of a story over a period of years that our own dear American public does not worry about it and so I do not worry about it. It is pure speculation in the first place and the batting average is so low as to accuracy that if we were playing baseball, you would not sit on the team. But that, after all, is not a particularly serious matter because, as I say, the country discounts the kind of stories that come from Washington.

Now I read a story this morning about Woodin going to Germany. As far as I know, Woodin is staying right here. There has been no consideration of any successor or anything of that kind. In other words, that kind of

a story is made up, one hundred per cent, out of the whole cloth, just the same as some of the conversations yesterday in the Senate. Those stories were not only absurd but futile.

But there is another - and I am talking between us - there is another angle that does disturb me. There are a lot of people in other parts of the world who take what they read as true. They haven't got on to the fact that we are a nation of spoofers (laughter) in our press (laughter).

I will give you a couple of examples that I, frankly, feel rather badly about. It is not a question of mentioning the name of any one newspaper or two newspapers - that is beside the point. What I am thinking about is this country and also about things we are trying to do in the world, that we are trying to do for the peace and the peoples of the world that have been seriously hurt by things that have appeared that were not true in our American papers. I will give you two examples: The day before I send that Round Robin letter to all the crowned heads, et cetera, of course we had been working on it for a couple of

days and I suppose I must have talked to fifteen or twenty people about it. I was not the least bit concerned over the fact that there was what might be called a leak to this extent; the leak was to the extent that a message was going out. That was on Monday afternoon. It was telephoned by some people who were not Press -- a very lovely lady in town telephoned on to New York to her friends and said, "For God's sake, buy all the stock you can at the opening tomorrow morning because the President is going to send an important message on disarmament tomorrow morning." That is all there was in the way of a leak, the fact that a message of disarmament was going out. But, and this is absolutely in confidence, and so it is just between us girls and boys, somebody wrote a story which came out in this paper on Tuesday morning to the effect that this message, number one, was going to Geneva to Norman Davis - of course that was wrong; number two, that the message was going to contain a guaranty of security to France. That went to France and I don't mind telling you that it went from here from the French people in Washington because the French people assumed that this

particular paper that carried that particular story was speaking for the Administration. It got to the French Foreign Office and the French Foreign Office immediately sent for the French Press and said, "Hurrah, grand, the United States is going to guarantee the security of France." And they all believed it and at the editorial desks in Paris they started in to write their editorials saying that the Americans are going to guarantee the security of France. About two hours later - about eleven o'clock their time, which is five o'clock our time - the actual message was delivered in Paris and the French said, "Oh, it is the most awful shock and disappointment we have ever had." The result was that neither the French Press nor the French Government took that peace message, the disarmament message, the way they should have taken it.

Now, the source of that information was one hundred per cent accurate and could be proved. That is one instance.

Now, I will give you the other one, also in the family. As a matter of fact, on the debt negotiations,

the situation is no different from what I have told you for the last two months. Get that first. The position of this country is just what my position was last November and that is that a debtor nation has the right to come to its creditor. Now, the debtor nations have not come to us with any proposition. Now, there is no news in that, you all know it. I have told you that right along. We have made no offers. I have told you that right along. Absolutely none. We are still in the position of the creditor nation that is willing to receive conversations, offers, suggestions, from the debtor nations, and we have had nothing. Now, as a matter of fact, this is absolutely all off the record - remember that. The French Government, I think, is honestly trying to put itself in some way - we don't know how yet - into the same position that England is in by trying to do something about the old December 15th payment. Here again, this is something that is not news. You know it. I have told the French consistently that while we can say to England, "Come right along, talk to us, lay any proposition before us you want to," we cannot say quite the same thing

to the French because they have not done anything about the December 15th payment. As M. Herriot said the other day in the Chamber, and as I have told you, we have told the French that the first thing we believe they should do is to do something about the December 15th payment. Nothing has come from them over here - not a thing.

Now, up to the day before yesterday, the French Government was trying, from all the information that we have had, to work out something in regard to December 15th. Yesterday morning, two papers came out with the pretty cute statements that we had made an offer to the French for some form of partial payment in June. Now, that was made up out of the whole cloth. I cannot help it if you people write stories on what somebody who is a third cousin or a fifth cousin of the Administration tells you. It is not true but, in so doing, you are hurting the cause of your own Government. The result was that yesterday morning, when those stories were cabled over, the officials of the French Cabinet were seriously embarrassed because every member of the Chamber of Deputies said, "Oh, a proposition from the United States," and if what they were working on had

any prospect of successful conclusion in regard to the December 15th payment, that prospect was seriously weakened by American newspaper stories. Now, that is the fact.

Now, there are two very, very good instances in the last couple of weeks of how our foreign relations, first in regard to world peace and disarmament and secondly in regard to debts, have been seriously influenced by stories made out of the whole cloth in the American papers.

Now, in regard to those stories, I have had, very reluctantly, off the record and between us, I have had to make it very clear to the French and also to one or two other nations that I specifically asked them to pay no attention from now on to stories coming out in these papers. If they want information, they can get it from this Government and, judging by the events in the past few weeks, they had better not pay any attention to that kind of story. Now, I hated to have to do that about our own papers, but that is the situation. They had seriously hurt the work we tried to carry out in international affairs.

However, coming down to domestic matters, that is all right. I am sorry to have had to say all this, but it is very serious embarrassment to our Government to have had that kind of story and I know you want me to tell you the things that worry me. Those stories that have been made up out of the whole cloth have been a source of very much worry to me where they affected our foreign relations.

Q May I point out one case which arouses our curiosity as to whether anything is happening, particularly those of us who cover the State Department. First, these stories crop up. Then we ask the State Department if they are true or what is true and their reply is that they cannot tell us anything about it either way. The next step is to ask the White House but of course we cannot see you but twice a week so that it is difficult to check up. Then we have to believe the stories are true in view of the fact that --

THE PRESIDENT: The only thing I can say is that Steve runs in here on the average of twice a day. Usually there is a denial. As a matter of fact, ninety-nine per cent of that stuff is not true and the odds are ninety-nine

to one that there would be a denial out of here.

Q Of course, as soon as it comes out, we have to write something from here.

Q Mr. President, it might be helpful for your purpose if you could lift the lid sufficiently for us to inform our offices in confidence about what you said.

THE PRESIDENT: That is perfectly all right. In other words, this should not be a thing to go beyond us, but it is all right to let the offices know about it. But it is a thing that has disturbed me, especially the French. They are easily upset - awfully upsettable - by rumors and the French Government, of course, has one of the most difficult parliamentary situations in the world to control. No human being can tell, from one day to another, what the Chamber of Deputies is going to do. Our difficulties with Congress are nothing compared to the French.

There isn't really anything new on debts, as I said before. Our position is that we are perfectly willing to receive any suggestions from the other side and we have not had any.

Q We have a report from London saying that Ambassador Bingham said that the statement made by Mr. Davis at Geneva was a departure from traditional American principle. Do you agree with that, regarding the security pact?

THE PRESIDENT: No, I do not agree with it - that is off the record.

Q Then he has given a wrong impression of the American viewpoint.

THE PRESIDENT: Yes. (Laughter)

Q Then you haven't anything in mind but that you are just going along with the same policy - just waiting for others to make the offers?

THE PRESIDENT: Exactly the same position; absolutely no change at all.

Q Couldn't we use that as background - that there is no change in the debt situation?

THE PRESIDENT: I think you can use that as background. After all, that is not news.

Of course, it depends a little bit on how you use it for background. Now, for example, - you need not look through the paper I am looking at - that is

neither here nor there - I want to give you an illustration of English. Here is a story that says, here is the lead, (reading from New York Times of May 31st, 1933) "The White House refused to concede publicly that there had been any definite program adopted by President Roosevelt for dealing with the war debt problem." Now, that is a little bit like printing ~~a~~ one day a story that I had decided this summer to make a trip to the Philippines and then, the next day, saying that the White House refused to concede that the President was going to make a trip to the Philippines after the White House had laughed it out of court. Now, that is not good ball. It is not clean ball. It is a story one day that the President had murdered his own grandmother and the next day saying that the President had refused to concede that he had murdered his own grandmother. (Laughter) That is not clean ball.

Q Is there anything new on the tariff situation in your message? Is it likely to go up this week?

THE PRESIDENT: On the tariff? I think I will have to make this off the record because I still have not made up my mind definitely. I am working on a tariff proposal

and the first draft of it has worked out to sixteen or seventeen pages. It was highly complicated. It related to possible decreases and possible increases of what might be called a temporary act; in other words, one that applied between the summer and the time the Congress comes back next winter. I have been trying to boil it down and I have got it boiled down now to three pages and a half and, if I can, I am going to try to get it down to a page and a half. I want to make it simple and as little controversial as possible. If I can get something up there that there won't be very much controversy about, not more than one day's debate, the purpose of it being made perfectly clear, I will send it up. However, that is as far as I got and I am still trying to boil it down.

Q Does that mean that if you do not succeed in boiling it down so that it will not take more than one day's debate, you will not send it?

THE PRESIDENT: Off the record, when I get it down, I am going to talk to the leaders of both Parties up there and see whether they like it. That is the next step and I have not done that yet.

Q Anything you can tell us about the representations of that special committee that called on you Saturday on behalf of the Veterans?

THE PRESIDENT: I can only talk to you off the record on that too, because, after all, that is a more or less confidential thing between the committee and myself. That particular committee that came up is very anxious that nobody be turned off the compensation list. It is the group that still believes we should pension everybody that served in the War. That is about the size of it. They still want January 1st, 1925, kept as the presumptive date and of course you and I know that if that is kept as the presumptive date, there are tens of thousands of fellows who, years after the War, four and five years after the War, got some kind of injury or disease that in common sense you cannot connect up with the War. They want to go right back to what was the old law and I told them that I could not go along with them.

Q There is a hundred million dollars in that presumptive clause.

THE PRESIDENT: At least. And of course, what I told them

was two things: In the first place that there is a difference in point of view in this way: What they would like to do would be to pass an omnibus clause that would take in everybody on compensation and then give us the right to throw out individuals. Our point of view is that we should not - that the presumption should be against letting these people in beyond a certain date and then, if there are border-line cases where there is an honest question of doubt, that then we should take them in. That is the difference in the point of view. I made it perfectly clear to them that if they are going to go through, there are two things going to happen: The first thing would be to destroy the practical good of the Economy Bill and, secondly, if we offer to pay it - this money - we will have to have some kind of a tax to pay it and that I thought that would be rather a shock. It would mean that much more taxes over and above the two hundred and twenty million dollars we talked about.

Actually, of course, we are doing several things. We are revising the regulations which are, undoubtedly, much too stiff. We are trying to make them so that they

will create just as little hardship as possible. They are in process of revision and we will continue to revise them. We may even continue to revise them all through the summer and fall where real cases of hardship are shown. The second thing is that on hospitalization, we are not going to throw out bedridden cases, even if they were not service-connected. We are investigating in every case where general charges have been made, like that of the Mayor of a certain city where there was a hospital of old men, eighty to ninety years old, wheel-chair cases, and the Mayor said they were being turned out on the streets. I asked for the names of the men and some evidence that that statement was true and word came back that it was a mistake. Of course it is a mistake. We are not throwing out men eighty and ninety years old; that is absurd. But that is the kind of rumor that is being handed out.

We are hoping to have what might be called an independent committee to go around and inspect and check up on all the complaints and all the cases of hardship that are brought to our attention. It will be a committee which will be really directly responsible to me.

It won't be merely a committee appointed by the Veterans Administration to report to them. In other words, they will have the right to come straight to me if they feel that the Veterans Administration is not giving proper attention to their report. That is in process at the present time.

Q Is Senator Byrnes coming up today on this?

THE PRESIDENT: He is on the list.

Q Do you consider relief for municipalities which are in default or about to default on their bonds as legislation which should be passed at this session?

THE PRESIDENT: I would put it this way on that. Of course there have been three schools of thought on municipal obligations. The first is what might be called the strict construction, which says that a municipality is the creature of the State, it is merely a corporation chartered by the State Government and it is up to the State to take care of the situation and the Federal Government has really nothing to do with it. At the other extreme, there is the demand of a lot of people that the Federal Government should step in and finance all the cities. That is what that delegation

of mayors was down here about the other day. I did some simple arithmetic for them and showed them that if you did it for the cities and counties and townships and did it for the electric light districts and the water districts and the sidewalk districts and the school districts and so on, that it might cost the Government, the Federal Government, just in advances to take care of their current obligations, as high as ten billion dollars and that therefore it was a perfectly absurd thing to talk about.

I told them, furthermore, that if the Federal Government started in to finance these cities, it would give us some kind of obligation to see that they were run right. It would throw the Federal Government immediately into municipal politics and we would have to say that City A was beautifully run or that City B was terribly run and needed a new mayor. You can see the obligations.

The third school of thought is about this way: It accepts the theory that the Federal Government ought not to finance cities in any way. It says that they are State creations but, at the same time, that a

great many of these municipalities that are having difficulty at the present time in refinancing obligations that are falling due, ought to get helped by making practically the same change in the bankruptcy law that we made in the bankruptcy law for the railroads, which is what I call a temporary technical bankruptcy, which would allow a city to go into the District Court in some way and get permission to reorganize its financial structure, provided a certain percentage of the creditors of the city consented, and the District Court could compel the minority non-assenting creditors to go along with the majority. It would be practically the same thing as the railroad bill.

I am not sending a message on it. I have told them up there that I was entirely willing to see legislation go through in that form. The people on the Hill tell me that there are two schools of thought with respect to the bill that they have up there. One is that the increase in land values, the increase in prosperity and the greater payment of taxes, if it continues during the summer, most of these communities will be able to swim out. The other crowd say, "No, even if we do

get a fifty per cent recovery in the course of the summer, it will come too late to save a lot of those cities," so I am perfectly willing to have the bill go through.

Q You started off your talk about the veterans by saying that it was strictly off the record but ended it by saying something that perhaps you would not mind it being used.

THE PRESIDENT: What about the committee, Steve?

MR. EARLY: I think it is all right about the independent committee.

THE PRESIDENT: I think you might use it as background, except for the independent committee end of it.

MR. EARLY: No, Mr. President, I meant that it would be all right to use the independent committee part of it.

THE PRESIDENT: All right, you can use the committee as background.

Q Mr. President, what is the status of the departmental reorganization matter?

THE PRESIDENT: Lew Douglas and I spent yesterday afternoon on that for two hours and we will have ready in the course of the next few days about six or eight orders

They will probably not be very drastic at this time, because there are so many things pending that we cannot put through at this time if there are tremendous changes. In other words, we are working at it as fast as we can. I think you will be a little disappointed that we have not abolished or switched a great number of important bureaus, but there are distinct problems as to how it should work out. I will give you an example: Should forests go into parks or parks into forests? Now, that is a nice point; you can argue it well on both sides. Should the Park Service go into the Department of Agriculture or should the Forestry Service go into the Department of the Interior? Well, it is probable that at this particular time I won't do anything on that. I want to have a little more argument on it during the summer.

Q The way you are working it out, on these orders, how much do you think will be the saving? Will it be considerably below what you have originally estimated?

THE PRESIDENT: I would not put it quite that way. The actual transfer of the Forestry Service to Interior or the Park Service to Agriculture isn't going to save such an awful

lot of money. None of these transfers are. For instance, if President Hoover's transfer had gone through, it would have saved a certain amount, but the importance of it isn't so much the financial saving as it is the better supervision of things or where you put two agencies of Government which have to do with the same thing in together. There will be a certain amount of saving on overhead, but, of course, the big saving is not so much coming through that as in the actual cutting down that the Departments are doing.

Q Will there be any more announcements on the numbers of the delegation? The News last night said that the list was incomplete.

THE PRESIDENT: It still is incomplete. It should be announced very shortly.

(The Press Conference adjourned at 11.05 A.M.)

CONFIDENTIAL
Press Conference #26
Executive Offices of the White House,
June 2nd, 1933 - 4.12 P.M.

THE PRESIDENT: The Attorney General is waiting for me and right after I see him, if I have time, I think I will take my first swim this afternoon.

Q It is a beautiful pool.

THE PRESIDENT: The other day, just at the close of the conference, somebody asked me about the reorganization of the Departments and I'm afraid I did not make myself clear on it. The result was that there have been all sorts of stories saying that the reorganization has been halted, that the saving of money will not be made and that the reorganization is off indefinitely and so on.

If you don't mind, I will just talk to you off the record or for background or anything you like, about the general subject of reorganization. In the first place, it is entirely erroneous to assume that it is in the reorganization of Departments and Bureaus that you save money. That is a very easy fallacy to fall into. Where you save money is by lopping off

debts and lopping off employees and stopping the spending of money.

Now, as a matter of fact, with or without reorganization, we are actually in the process of saving about a billion dollars, which is about twenty-five per cent of the total Government expenditures. In other words, there is no change from what I said about a month ago on that and reorganization of Departments hasn't anything to do with it - not a thing. Let me give you a very simple example that will illustrate what I mean: The Department of Commerce appropriation was forty-one million dollars. Now, there is in process, various reorganization ideas with respect to the Department of Commerce, but they have absolutely nothing to do with the fact that the Department of Commerce is saving twelve million dollars. In other words, regardless of reorganization, the Department of Commerce is lopping its activities down to twenty-nine million with the further promise that through reorganization and consolidation they will probably be able to take off another million and a half. Now, there is a very good illustration. In other words, reorganization and consolida-

tion will only save about a million and a half and the lopping off of functions will save about twelve million dollars.

Just let me give you another illustration: By a consolidation of the purchases of supplies for the Government - things like typewriters and desks and pens and things like that - putting it into some kind of central purchasing organization and standardizing the Government material, we will be able to save probably several millions, two or three, but it is a drop in the bucket compared with the billion dollars that we are already saving through lopping off of functions. So, the importance of reorganization is very grossly exaggerated when it comes down to a question of dollars and cents. But, when it comes down to a question of efficiency, it is a very important thing and we are doing that pretty fast. That is being done particularly by intra-departmental orders that do not have to go to Congress. Those are coming right along; I suppose I sign one almost every day. The thing is in process. Then there are orders affecting inter-departmental work. Part of that can be carried through without submitting it to Congress. Then there will be others which will be submitted to

Congress before they go home.

So that the reorganization, instead of being halted at all, is proceeding in a perfectly orderly way. It simply means that the complete program won't be finished and there will be -- (interrupted)

Q But the saving will go right ahead?

THE PRESIDENT: Yes, the saving will go right ahead. Another good illustration is for instance with respect to the foreign commerce attachés of the Department of Commerce. Now, there is a very good illustration. You had better check on these figures because I am not at all certain that they are right. There are two hundred and fifty of them running all around the world having a grand time. Now, where is the saving on that? It is in eliminating all but about fifty of them and there is your saving.

I am going to send the Congress, either this coming week or next January, an inter-departmental order by which those fifty that are left will report through the Department of State instead of directly to the Department of Commerce. Now, that is in the interest of having just one organization handle all our foreign

matters. But the saving is accomplished right away by lopping off two hundred of them.

Q And then you put them under the State Department?

THE PRESIDENT: They are coming eventually under the Department of State, but that is a very unimportant thing as yet. That will come under reorganization. You see how important reorganization really is in the matter of dollars and cents.

Q Is your billion dollar calculation interfered with by this revision of the veterans cut?

THE PRESIDENT: By the veterans thing?

Q Yes.

THE PRESIDENT: Of course, no human being knows what they are finally going to do up there. Oh, it would be, yes. In other words, that billion dollar cut is based on the general assumption that even with the suggested amendments to the first tentative orders about that, that we would keep it down to about a billion dollars.

Q You mentioned the other day that you might have about six or eight orders.

THE PRESIDENT: Yes, they may run to twelve or fourteen.

Q Would they be signed by you?

THE PRESIDENT: Yes, about the beginning of the week.

Q Senator Bone's conversion plan for getting lower interest rates on Government securities, has that figured in your calculations at all?

THE PRESIDENT: I don't know what it is.

Q He is asking all those that hold Government securities to turn them in at two and a half per cent interest instead of four and a quarter per cent interest and he seems to have had a great many veterans' posts, etc., and railroad brotherhoods with him on this thing.

THE PRESIDENT: I never heard of it. In other words, his proposition is substantially what the British Treasury did?

Q Yes, he is basing it substantially on that.

THE PRESIDENT: I have not heard of it at all.

Q What is your reaction?

THE PRESIDENT: I cannot give you an offhand reaction except that it is one of those things we considered especially in regard to the financing of the six billion dollars of Liberty Bonds that are now callable.

Q Yes.

THE PRESIDENT: It would be certainly considered in connection with that. That is as far as we have got.

Q Coming back to reorganization: When you first started to discuss it you said that that was for off the record and then you mentioned background.

THE PRESIDENT: You can use background. It is just to clear up some of the perfectly honest misunderstanding that this thing meant that we were not going to make the savings, or that it gave undue emphasis to dollars and cents in Government reorganization.

Q Can you tell us what the total in savings would be under reorganization - would it be about a hundred million dollars?

THE PRESIDENT: I would not dare say offhand; probably not as much as that.

Q Wasn't it estimated at two hundred and twenty-five million dollars at one time?

THE PRESIDENT: Yes, but you see we are doing a lot of it. What you are talking about and what was meant was the big things that had to go to Congress.

Q How is this billion dollar savings itemized? Could you tell us that offhand?

THE PRESIDENT: I don't know; I did it about a month ago for you and I have forgotten what it is now. I think

~~it was about now~~. I think it was about four hundred million dollars on veterans and four hundred and fifty million dollars on Government. I have forgotten where the rest of it was.

Q The cut in salaries was about a hundred and twenty-five million dollars.

THE PRESIDENT: Yes; that is pretty close to it.

Q Do you expect with the increase from revenues from beer, et cetera, that the budget might be balanced by the end of the fiscal year?

THE PRESIDENT: I haven't heard a thing on beer for three weeks or a month. I don't know how it is running now. About three weeks or a month ago I said they were a little ahead of their expectations, but I haven't heard of it recently.

Q We have been keeping up our end here. (Laughter)

THE PRESIDENT: I got word from a very old brewer friend of mine. He said, "For God's sake don't drink any of my beer until next September - it is terrible." (Laughter)

Q Will new activities like farm relief and industrial control offset any of this billion dollar saving?

THE PRESIDENT: No. For instance, industrial control is

supposed to be self-sustaining and so is farm relief.

Q Do you hope to see Congress adjourn on June 10th, the way things look now?

THE PRESIDENT: I don't think it would be nice for me to tell you that. I don't think it would be nice for me to tell them when to adjourn on the record.

Q Tell us off the record.

THE PRESIDENT: I think, off the record, everyone up there is making a pretty honest and sincere effort to get away as soon as they can.

Q In that connection, is the St. Lawrence Treaty still an issue so far as you are concerned at this session?

THE PRESIDENT: This I will have to tell you really, literally, off the record, because I don't know yet whether I am going to send something up on Monday or not. I may; it is perfectly possible. In fact, I am having a draft of a letter prepared at the present time which will simply state the position very clearly.

Q You say that that is not to be used?

THE PRESIDENT: You cannot use that because I have not made up my mind. The chances are that I may.

Q You said that you are trying to cut the tariff bill down to one and a half pages.

THE PRESIDENT: I have got it down to three or four.

Q Will you get it down?

THE PRESIDENT: I am trying to.

Q Will it go up next week?

THE PRESIDENT: Just probably.

Q Have you approved or disapproved the Johnson Amendment to the Arms Embargo Resolution making it mandatory?

THE PRESIDENT: No. Again off the record, Steve (Stephenson), Secretary Hull, before he left, talked to the Foreign Relations people up there and said that in his judgment it would be a bad thing to do at this time.

Q Mr. President, have you any plans for that resolution so far as the remainder of the session is concerned?

THE PRESIDENT: (No answer)

Q The Beacon of the iron and steel industry says that their present industrial relations [can?] be maintained under this Industrial Recovery Act. Is that consistent with the practical operation of this Act? They propose no change in the industrial relations - no change in union relations. Would that be consistent with the effective operation of this Act?

THE PRESIDENT: The only thing that I could do would be to quote the language of the Act. I think there are two or three words in Section 7-A.

Q Mr. President, has it been decided as yet to make the Farm Relief Act effective on this year's crop?

THE PRESIDENT: You will have to ask Wallace about that. As I understand it on wheat, no. It is too late on wheat; we can't do anything on that. They are talking about it on corn and they are having a meeting on cotton tomorrow.

Q Mr. President, can you tell us anything about your talk with Mr. Green of the American Federation of Labor and others?

THE PRESIDENT: Oh, we just talked about that same Section 7-A which, as I understand it, is copied, according to Green, directly from the existing law - the LaGuardia-Norris bill - and therefore isn't a new policy of Government.

Q May we understand it that the Administration is in back of Section 7-A?

THE PRESIDENT: Not necessarily in that language; the idea is that they are all treated alike on that same principle.

Q Have you reached any decision on the other two men who will make up the Tennessee Valley Authority?

THE PRESIDENT: Not yet.

Q Can we look for that pretty soon?

THE PRESIDENT: Again, off the record, I have talked over a number of names with Dr. Morgan and also Senator Norris, and they are checking. The list is getting smaller and smaller.

Q Any more delegates to be sent to London?

THE PRESIDENT: I don't know yet.

Q May I take a moment to clear up an impression which I fear I created at the last conference? My reference to our ability to get confirmation or denial was unfortunately interpreted as possibly causing a reflection on Steve (Early), and I want to wipe the slate clean on that because that was the last thing I wanted to do. Most of us, in fact all of us, appreciate the assistance he renders us.

THE PRESIDENT: Here is where I lead the applause. (Laughter)

Q There is a new tax bill in the Senate today. Have you seen it?

THE PRESIDENT: I haven't even read the headlines in the

Star tonight. What do they do?

Q You have me now. (Laughter) I had hoped that you knew.

Q On the general question of ship subsidies, there is an amendment to the industrial bill on that, seeking to take from the ship subsidies forty-five million dollars to help pay for the public works. Are you, in general, in favor of limiting the ship subsidies?

THE PRESIDENT: From what would they take forty-five million dollars?

Q Forty-five million dollars from the amount now going out as ship subsidies.

THE PRESIDENT: Take it away from the ships?

Q Yes.

THE PRESIDENT: No, certainly not. I do not want to limit ship subsidies. I think we would have to go very carefully into that.

Q In general --

THE PRESIDENT: In general, I want to keep the American Merchant flag on the seas but, at the same time, I want to eliminate any subsidies that ought not to be paid.

Q Mr. President, do you think there are any such?

THE PRESIDENT: That I don't know. I frankly don't know because I haven't had time to go into it.

Q We are getting a lot of inquiries about your summer plans. Can you go into those a little more at this time than you have heretofore?

THE PRESIDENT: That is a little tied up with the question as to whether I want Congress to go home on the 10th of June. (Laughter)

Q We got an inquiry from a little town named Marion which said that an old, dear friend of yours is going to have you visit him there. Is that correct?

THE PRESIDENT: I hate to spoil a good story. Why don't you wait until I get the whole thing together? It is just possible I might go aboard the boat in Marion.

Q Where is that?

THE PRESIDENT: That is just south of Cape Cod. It is between Cape Cod Canal and New Bedford, about half-way.

Q Are you going aboard there instead of Marblehead?

THE PRESIDENT: The reason for that is that the boys won't get out until two or three days later. Why don't you wait until you get a real story on that?

Q Is there anything new on debts? Have you decided whether you would send a message up on that?

THE PRESIDENT: That is just the way they were before - nothing on that.

Q In discussing finances, I think you indicated that there would be a deficit of a hundred and twenty million dollars.

THE PRESIDENT: Yes; we haven't had any figures since that.

Q This saving --

THE PRESIDENT: It would a hundred and twenty million dollars based on the Treasury estimates of three weeks ago.

Q Mr. President, I asked a question before about the vacation - the summer plans --

THE PRESIDENT: I think we had better wait until we have a real story. It is, of course, dependent on Congress. The only thing you had better do is that you had better look for a perfectly good seaworthy boat.

Q Are you swimming today, Mr. President?

THE PRESIDENT: At half-past five this afternoon.

Q Have you reached a decision on the Federal Reserve Board?

THE PRESIDENT: I hope to by Monday.

Q How about the R. F. C.?

THE PRESIDENT: I won't say Monday, but certainly before the Senate goes home.

Q Do you expect to have both of those ready on Monday?

THE PRESIDENT: I don't know.

Q I hate to do this because I have asked so many already. Is anyone going to be appointed as arbitrator in the Ohio coal dispute? The Governor has sent a message requesting that you appoint a member on the board he has appointed.

THE PRESIDENT: That's news to me; I don't know anything about it.

(The Press Conference adjourned 4.35 P.M.)

CONFIDENTIAL
Press Conference #27
Executive Offices of the White House

June 7, 1933, 10.42 A.M.

THE PRESIDENT: The only news is that I am getting behind in my mail. (Laughter)

Q How does that happen?

THE PRESIDENT: I am just one basket behind. That is all. Well, I don't think I know anything in particular this morning.

Q Can you enlighten us in any way on these rumors coming from London on some change in the value of gold and some new debt proposition and things of that sort?

THE PRESIDENT: We haven't had a single thing -- not a single thing. Make this off the record, because it is merely the way I would write a story. Do you have to write a story about it?

Q We have to.

THE PRESIDENT: You might write it along these lines, that we are trying to be perfectly consistent over here in carrying out what was announced away back last November when I came down here to see the President, which was the establishment of the principle that a debtor nation can come to a creditor nation and lay its case before the creditor nation. Now, that is all, about all there is to be said. We have had from the debtor nations, as

you know, in these conversations that have been going on, at the time of payment by England last December and the payment by Italy last December, we had various statements made to us as in the case of England -- I have forgotten the exact language -- but to the effect that they did not see how they could make the June payment. We have had what might be called unofficial representations that they did not see how they could make the June payment, but we have had no proposal, we have had no request for a formal reconsideration of the debt question. That is all there is to be said. In other words, it carries out the principle set down last November that it is up to the debtor nation, and there we are.

Q Did you say there have been no recent informal conversations or anything of that subject within the last four or five days?

THE PRESIDENT: No official communications.

Q Unofficial?

Q -- The British Ambassador?

THE PRESIDENT: I think he has been talking with the Acting Secretary of the State. I have not seen him. We simply made clear to him just what I said to you -- that is about all there is.

Q You still adhere to the theory that each debtor should come individually?

THE PRESIDENT: Yes.

Q A large number of the British say that they cannot stabilize their currency until they know the debt situation and they claim that stabilization is the first thing that is necessary in the Conference. Do you think anything must be done about the debts first?

THE PRESIDENT: I don't know; that is an awfully difficult question to answer. I will tell you the general position we have taken on this, and this is again off the record, merely to give you an idea about it. There have been efforts made, as you know from dispatches from the other side, to get some temporary stabilization the last two months -- ever since April -- and we have felt and I think the British have felt -- they have come mostly from France -- that the time is not ripe for temporary stabilization because we do not know as yet the status of the currency of each country in relationship to its price level. In other words, the individual currency of a nation and the individual price leval of a nation. We felt that these months of April, May and June will possibly establish that internal relationship fairly well and that, having done that, having gotten the internal relationship of currency and price leval fairly

well fixed, then we can go ahead and discuss stabilizing currencies in relation to each other.

It is a little bit premature to go into it any further than that and our position has been that the international Government debt problem is a far less important factor in that stabilization than some of the debtor nations tried to make it out. I think -- I believe I said this last week some time -- I think if you will take the proportion that international Government debts bear either to the debtor nation's budget, or the proportion that they bear, let us say, to world trade, it is such a very small percentage that it is not as big a factor as some of the debtors would try to make us believe. That is about the attitude.

Q Concerning the first part of your answer there, is it possible that conditions have progressed so that the pounds and dollars may be paid in terms of each other at the London conference?

THE PRESIDENT: They are going to try to get some form of stabilization of the relationship between currencies. Of course there are all sorts of methods of approach. One suggestion has been the setting up of what might be called an imaginary coin that would not be coined. I don't think I would write very much about that, it

is not our suggestion, it is merely one of the suggestions I use as an illustration. For example, if you and I are trying to make an international contract -- you are an Englishman and I am an American -- it is very difficult to make it today because you and I don't know what either the pound or the dollar is going to be a year from now when the payment is due. This particular school of thought says, "if we had an imaginary coin, you, as a Britisher, would not have to think of the dollar, you would merely have to think of the coin in its relationship to the pound and not as to the dollar. You will only have one factor to consider -- the pound and the imaginary coin. I, as the American, would have only one factor to consider -- the dollar and the imaginary coin. The imaginary coin would always be fixed in terms of gold or gold and silver, whereas, as it is now, you and I have to think of the pound going up and down and the dollar going up and down or of the two going up together or coming down together. You have six possibilities if you work it out with paper and pencil.

They are going to explore all those suggestions but they are going to work toward stabilization of exchange for the sake of international trade and the

elimination, at the same time, of the speculative element of international exchange. In other words, get rid of those fellows in Amsterdam and Antwerp, etc., who have had in the past those very large speculative accounts, sometimes in pounds, sometimes in dollars and sometimes in francs.

Q What would be the value of such an imaginary coin in terms of the Swiss franc or the Dutch guilder?

THE PRESIDENT: An imaginary coin would be fixed at so many grams or grains of gold, irrespective of anything else.

Q It would simply be a fixed weight of gold?

THE PRESIDENT: It would simply be a fixed weight of gold and nothing more. Only they would give it a name. I don't think there is a story in that because it is only one of a great many things that have been suggested and a lot of people say that it won't work.

Q Would you issue bonds in terms of this gold coin?

THE PRESIDENT: I don't know; provided the total of the bonds did not exceed all the gold in the world.

Q Mr. President, will you ask Congress this week for power to change the tariff in making the reciprocal trade agreements?

THE PRESIDENT: I will have to give you the same answer; I don't know.

Q Do you know whether you will do it before Congress adjourns?

THE PRESIDENT: Again I don't know.

Q Mr. President, has any value been suggested for the ounce of gold in these imaginary coins?

THE PRESIDENT: No, because again it would be based on weight, not on value.

Q I mean in the United States.

THE PRESIDENT: You see, then the value would not have anything to do with it. It would be the weight.

Q The relationship of the dollar toward the ounce?

THE PRESIDENT: Yes, and that would be practically based on an international stabilization.

Q Would you care to comment on the Bank Bill situation?

THE PRESIDENT: Senator Glass, Congressman Steagall, the Director of the Budget, the Secretary of the Treasury, the Comptroller of the Currency are all coming here at 12 o'clock and we are going to see if we cannot iron it out.

Q Mr. President, have you had any reactions on your change in the regulations?

THE PRESIDENT: No, except that I have a huge pile, a good many inches high, of telegrams this morning.

Q What did those telegrams say?

THE PRESIDENT: Oh, just the usual type. We have to understand what this is all about and stick to it as a matter of principle. On this veterans' thing again, I am talking off the record just to give you my own slant on it. I am inclined to think that we are giving too much emphasis to dollars and cents and not enough to principle. Of course, on the dollars and cents end of it, if we go ahead and add another hundred million dollars to the budget, that will throw the budget out in such a way that we have got to have new taxes to cover it. But, if I were to write a story, I would not make that the lead on it. A matter of principle is really involved in this whole question. What we are trying to do is to carry out what was very well expressed in the Democratic platform last year. We should carry out the letter and the spirit of the Democratic platform and that is to do justice to the men that served in the war, and who, as a result of the war, were injured and have to be taken care of. You have to do full and substantial justice to them. The trouble with the amendment is that it violates in many particulars the principles laid out in the Democratic platform and in the Economy Bill. I will just

give you certain examples of how it violates them. It takes care of people who are ill because of their own misconduct. Now, that is a pretty serious thing. That is a violation of a good American principle. Secondly, it takes care of -- I just jotted these down for you and this only scratches the surface, really -- it takes care of soldiers who came into the army or the navy after Armistice Day and up to July 2, 1921. Of course it does take care of, and even present regulations do not cut out men during that period who went up to North Russia. They are specifically taken care of but the amendment takes care of all those peace-time soldiers. Here is another example: It takes care of those thousands of boys who, after the Armistice and up to the second of July, 1921, went to the Student Training Camps. (Laughter) It puts them on a war footing. And then, most serious of all, the amendment, so far as numbers and dollars go, carries on the old presumptive clause. It means that people who served in the war and came out all right, if they became sick up to six years later, they will be taken care of at Government expense on the basis of this presumption.

Now, I will give you a very good example: The other day around here there was a fellow who came in. He was a very, very pathetic case. I think he lost a hand, the whole of one leg and part of another leg. It was a wheel-chair case. He was destitute. It was not his fault, but some people tried to give the impression that he had lost the leg and arm and hand in battle. He did not. He came through the war all right and several years after the war was over he got a thing called Burgher's Disease. Well, some of you people who were up in Albany remember Bob Fitzmaurice, who was in my office. He got something that is practically the same as that disease and it is a wasting away of the flesh. It begins on the toes and fingers and gradually extends. Bob lost two or three toes -- I think we have arrested it in Bob's case. It is an obscure disease and very rare. It has nothing to do with war service by any stretch of the imagination. That boy would come under the amendment for full pension -- I have forgotten what it would be, I cannot give you the figure, but it is one of the larger brackets, I think it is $250. Now, while his disease had no connection with the war whatsoever, that boy, even though he is not a Service-connected case, under the regulations, under the Economy Bill, would get, because he is permanently

disabled, he would get $30 a month even though it was not a war-connected case. Furthermore, he would be entitled to hospitalization. Now, there is the difference.

This presumptive clause: In the first place presumption is the wrong word. It ought never to have been used. Under the regulations that we have been getting out and are going to continue to get out, by the way, we are not through with correcting any injustices which may occur under the Economy Bill. This thing that came out yesterday was more of a coincidence than anything else, as you people know. We have been working on it for a long time. Things have been getting in shape for a week. But that is not final. If we find that it is doing injustice, we will amend that. What I want to get across is this idea about the word presumptive. If, six years after the war, a man who served in the war came down with almost any known disease, under the word presumptive which was in the old law it would be presumed, and you could not get around it, that his war service had some connection with it. Now, what we are trying to do is to substitute two words "reasonable doubt" for the word "presumptive". Now, that is something that is not a legal term that anybody can understand. What we are

doing is this: If there is a doubt as to whether the injury or disease came from war service, the doubt shall be resolved in favor of the veteran. But there has got to be a doubt. Under the Connally Amendment, the word presumptive absolutely ties your hands. Do you see the point?

So, that is about all there is and, as I say, if I were writing the story I would stress the thought of a great big principle that is involved in this little disagreement as to language. I hope it is going to be worked out.

Q Do you know how many cases are involved under the Connally Amendment?

THE PRESIDENT: I could not tell you, Steve. I would say at a guess about 150,000 or 160,000.

Q The figure of about $60,000,000 or $50,000,000 would be added or is that added under your regulations?

THE PRESIDENT: Under what went in yesterday? All my information came from the press. I was told $50,000,000 last night and I am told it is about $41,000,000.

MR. EARLY: General Hines said that $41,000,000 is very conservative.

THE PRESIDENT: It is $41,000,000 and it may run higher.

Q Will it be necessary to raise new taxes?

THE PRESIDENT: No. The Director of the Budget says that we will probably, with these increases plus several other increases which are really satisfactory and perfectly all right -- I think there is a $9,000,000 item that went through to get the hospitals opened -- that we will still keep the budget just about in wack.

Q By what means; by economy in other places?

THE PRESIDENT: I couldn't tell you the details except that we will still have a balanced budget.

Q Getting back to the Bank Bill, can you tell us in advance a little something about what remains to be ironed out in that bill?

THE PRESIDENT: It relates to the guarantee -- don't use the word "guarantee" but rather the insurance clause. What it is I don't know because yesterday evening about 7 o'clock they told me they were working on one plan and this morning I have heard that they have discarded it and are working on another plan. What it is, I don't know. They will be down at 12 o'clock.

Q What they are working on is a substitute for the Banking Bill?

THE PRESIDENT: Yes. It does not relate to the main insurance clause -- the permanent insurance clause. It relates to the temporary $2500 clause for the member and non-member

banks.

Q With reference to what you said about the debt situation, off the record, is there any objection if we use it on our own authority as background without any reference to the White House?

THE PRESIDENT: If I were writing the story I would put it that way.

Q Are you going to see the Steering Committee of the House?

THE PRESIDENT: I don't know whether they are coming down or not but I think they are.

MR. McINTYRE: They are waiting for you now.

Q Is there a Child Labor clause under the Industrial Control Bill?

THE PRESIDENT: I couldn't tell you, you had better ask Miss Perkins; I don't know.

Q How do you like the swimming pool?

THE PRESIDENT: Grand; I have been in three times. We will have a party some time.

(The Press Conference adjourned at 11.00 A.M.)

CONFIDENTIAL
Press Conference #28
Executive Offices of the White House,
June 9th, 1933 - 4.12 P.M.

(Present: The Postmaster General)

THE PRESIDENT: Well, what is the news?

Q What about the tariff situation?

THE PRESIDENT: Who has got my wire basket? I will look through it and see if I cannot tell you something about it. You go right ahead and talk while I look this up. (Laughter)

Q Who to?

THE PRESIDENT: Just tell me a story while I look at this.

Q We will have to talk to ourselves and it is a difficult thing to do in this hot weather.

THE PRESIDENT: It has been nice and cool in here.

Q It is nice and cool in here but oh, when you go out. How is it over at the White House?

THE PRESIDENT: It is pretty hot over there; you know we have no cooling over there.

Q You might as well read us the rest of those while we are waiting - the other nominations.

THE PRESIDENT: Well, I cannot find it. I will have to try to tell you, off the record, just for information. I am not going to send up any tariff message. That, however, does not in any way preclude the conferees - I don't mean the conferees, I mean the delegates in London - from conducting the negotiations for general tariff agreements. That can be done in London itself. Secondly, it does not preclude them in London from arranging for individual tariff conferences between us and any one other nation with the objective of arriving at reciprocal tariff agreements. These conferences are to be held as soon as possible. And then, third, there is, of course, still the right, under existing law, for either increases or decreases in existing schedules by executive order after recommendation by the Tariff Commission and in reciprocal agreements. As a matter of fact, there is very little loss of time on this thing because any agreement entered into would probably take several months to work out and can be submitted, if worked out, to Congress as soon as they re-assemble in January. Any permanent reciprocal

agreement or general agreement would have to go to Congress anyway.

Q Mr. President, would that mean agreements by treaty?

THE PRESIDENT: Well, that is the same thing.

Q You could obtain your agreement by treaty and then submit it to the Senate, could you not?

THE PRESIDENT: Yes, I hope so. I don't know enough about that end of the situation. I would say so, offhand.

Q This means that the Delegation won't be able to conclude any definite agreements?

THE PRESIDENT: Oh, yes; general agreements. That does not mean bilateral agreements because bilateral agreements have to be arrived at by this country and another specific country and obviously these people over there are not going to have six or eight conferences going at the same time with other nations. Bilateral agreements would probably be done over here.

Q There was a big fight under your predecessor's regime on the right of Congress to pass upon any fifty per cent reduction in tariff made by the President. Assuming any reduction is not more than fifty per cent, which is within the limit of power, doesn't that bill have to go to Congress?

THE PRESIDENT: No.

Q That can be done by executive order, I think.

Q That is, after recommendation for tariff revision and investigation.

Q So that this fifty per cent reduction can be made by you upon recommendation of the Commission.

THE PRESIDENT: No, because as I remember it the Tariff Commission's recommendations have to be based on difference in the cost of manufacture.

Q The Tariff Commission's recommendations after investigation?

THE PRESIDENT: Therefore it would be safer to say that any general agreement made in London could not be put into effect by a Tariff Board recommendation and by executive order unless it was based on cost of production.

Q Then we can assume that your Delegates won't make it unless justified by the cost of production and transportation and the other various things involved?

THE PRESIDENT: At least, they would be a very important factor.

Q Would the Delegates have all that information?

THE PRESIDENT: There is a great deal of current information on those schedules. In other words, they can get the latest information that the Tariff Commission has.

Q It would still be subject to the Senate approval?

THE PRESIDENT: I think they would have to go to the Senate anyway.

Q Have you already asked for reciprocal --

THE PRESIDENT: In other words, from the practical viewpoint, the only difference is this: The first thought was to ask Congress for what might be called "temporary authority" to put a temporary agreement into effect from some time this Fall until the Congress met and then to allow the Congress to approve it or to disapprove it. All this does is to send the signed agreements -- if there are any -- up to Congress in January.

Q That is new to us. I don't think we understood that.

THE PRESIDENT: Congress would never give me complete authority to write tariff schedules.

Q Well, they have given you everything else. (Laughter)

THE PRESIDENT: I never had any thought of asking for it.

Q Have you decided not to ask for specific authority because it would delay Congress too long?

THE PRESIDENT: No; there are whole lots of reasons and that was one factor, but only one.

Q I understood you to say that this is for background. Couldn't some of it be for publication and some of it to use for background?

THE PRESIDENT: Yes, I think so. I don't think it is a frightfully important thing anyway. I told you all along that I was not at all certain what I would do. As a matter of fact, there was no previous intention of actually doing it. I simply decided not to do it and the effect of it is merely to cut out the temporary agreements that might last two or three months and instead of that signing treaties and submitting them to the Congress in January. It is a very unimportant thing - a matter of two or three months.

Q It is very important in a way because when you told us some months ago that you might ask for this, we naturally wrote it up and our readers are waiting and watching for it and we would like to write an explanation of why it is unnecessary. I think it would be

very helpful. It is a good story in the first place.

Q It might be regarded in London that the fact you are not sending this up had some deeper meaning and if we could go ahead and print something --

THE PRESIDENT: The only significance to it is the fact that we could go right on and make some agreements in London but that instead of having them go into temporary effect for a month or two, we would wait and submit them to the Senate in January. That is why it is so awfully unimportant. It merely means a matter of two or three months.

Q Excepting that the public hasn't that view at all and I think if we could straighten them out now --

THE PRESIDENT: There never has been any thought of asking for more than that.

Q I had the impression there was and I think my readers have. (Laughter)

THE PRESIDENT: The only thing I can think of is how well you impressed your imaginations upon your readers.(Laughter

Q You mentioned bilateral agreements. Do you plan to start soon on those in Washington?

THE PRESIDENT: Yes, if the Delegates in London can arrange for bilateral agreement meetings.

Q That is all you have in mind as to what the Delegates in London are to do on the tariff?

THE PRESIDENT: Oh, no; the Delegates in London can work on the general tariff thing - the international truce.

Q What sort of general international agreement could you get more than, say, a tariff truce?

THE PRESIDENT: Getting a tariff truce is a very good suggestion. They have half a dozen different proposals. Every nation has some kind of a general tariff reduction proposal. I suppose there must be thirty or forty of them along all kinds of lines such as a two per cent, five per cent, ten per cent reduction and then allowing only a certain quantity to come in. There are all sorts of things.

Q Doesn't this mean that, as far as we are concerned, the effects and the results of the Economic Conference won't be felt until next year?

THE PRESIDENT: Nobody ever supposed that they would be felt until next year.

Q Don't you think we ought to be able to print this in some way more definite than as background? I mean, there has been quite a misunderstanding and if you

clear it up in an authoritative way, it would be much better. Business, possibly, won't know about it. We can say that the Administration -- use it in an indirect way, just as a statement of facts.

THE PRESIDENT: The statement of facts is in the first place that there is no message going up on the tariff. Number two, that this decision in no way weakens the efforts of our Delegates at the Economic Conference except that anything decided, instead of going into effect over a temporary period in the Fall, subject to action by Congress, would be submitted to Congress for action in January.

Q Before it becomes effective?

THE PRESIDENT: Yes, before it becomes effective. Then there is the other exception to that and that is the right to lower or raise after reports by the Tariff Commission based on the cost of production and that is always a possibility during the Fall.

Q Can't we use that just as you say it now and say, "The Administration"? It tells all of it - just what you say.

THE PRESIDENT: Those are the three things.

Q Would that second exception take care of Cuba on sugar?

THE PRESIDENT: I don't know; I have no idea at all. I have not thought of it.

Q Talking about Cuba, there are quite a few interesting developments down there recently and, just for information and off the record, has anything been done by you or Sumner Welles with respect to the Machado regime? There has been a very definite change within the last two or three weeks.

THE PRESIDENT: No, there isn't, really, any story on it at all. I have been so darned busy with other things that I have not read a single dispatch from Welles. All I know is that I saw him before he left and Phillips, since then, has given me a few high spots.

Q It is a terrific move for the better and I think you ought to take credit for it if there is any bust.

THE PRESIDENT: Not yet.

Q Any change in the debt situation?

THE PRESIDENT: No, nothing.

Q Did you and Sir Ronald discuss debts?

THE PRESIDENT: Yes, among other things.

Q Any proposals submitted?

THE PRESIDENT: Not yet.

Q Japs news agencies send a dispatch saying that Ishii, while he was here, made a proposal to you with which you agreed in principle or agreed with to establish an arbitration commission between Japan and the United States.

THE PRESIDENT: Never heard of it; he may have taken it up with the State Department.

Q No, they say no.

THE PRESIDENT: Then he did not.

Q The British Cabinet adjourned today without taking action on the debt.

THE PRESIDENT: Are they meeting tomorrow?

Q It has been postponed until Monday.

Q It is understood there is a message here about it.

THE PRESIDENT: I haven't had a thing.

Q Who is going to Germany as Ambassador?

THE PRESIDENT: It depends on how fast we can get in telephone communication with Berlin. I may know by tonight.

Q There is a guy named Montgomery who wants to go to Vienna. Does he get that job?

THE PRESIDENT: He is going to Budapest.

Q That is too bad; he wanted Vienna.

Q We can get in touch with Germany right quick if you want us to do it. (Laughter)

THE PRESIDENT: Phillips is on the phone at the present moment, I think.

Q How about reorganization?

THE PRESIDENT: I am having a conference at four-thirty this afternoon.

Q Any orders to follow that conference?

THE PRESIDENT: I don't know.

Q Who is going to be present?

THE PRESIDENT: The Director of the Budget and several members of the Cabinet.

Q Any plans for the week-end - down the river or anything?

THE PRESIDENT: I'm going to stay right here this week-end.

Q Have you arranged for your cruise? Is there anything you can give us on that?

THE PRESIDENT: If they go home, there will be only one more press conference before I start off. The general plan for the cruise is to leave on Thursday night and go on to Boston - to Groton on Friday to attend the school commencement - Prize Day, they call it.

That is on Friday, and then Friday evening, somewhere, actual location not yet determined, I am going on board the boat and the next point where I will be heard from or of, is Portland, Maine, the following Thursday afternoon.

Q Not going to touch anywhere.

Q Don't we get a boat? If the press gets a boat, can they go along?

THE PRESIDENT: Yes, and, by the way, if anybody wants me to help the press find a boat, I will be delighted to help in any way. I could provide a boat under the New York State rules but under the U. S. Government rules I am afraid I cannot provide a Government boat for the press. I would like to.

Q Any further details?

THE PRESIDENT: Let me see; we touch Portland, Maine, the following Thursday, where we shift crews, and Franklin Junior and John and James come on board. And then the next point touched is Eastport, Maine, or Campobello a week later.

Q What date is that?

Q That will be a week from that Thursday. (Laughter)

THE PRESIDENT: That is Thursday, the 21st - no, Thursday, the 22nd at Portland, Maine, and Wednesday, the 28th, at Eastport.

Q How long will you stay up there, then?

THE PRESIDENT: A couple of days.

Q You are coming back on the Indianapolis?

THE PRESIDENT: Yes.

Q To Baltimore?

THE PRESIDENT: I think I will come up the river here, as far as I can go, and then transfer to a destroyer.

Q What date will you leave Campobello?

THE PRESIDENT: Probably the night of the 29th or early morning of the 30th.

Q Are you going to stay in Portland at all?

THE PRESIDENT: No, just go in to pick up the boys and start off again. We will get some fresh water and mail, and so on.

Q You said you were going to change crews. Who is going to be the crew before that?

THE PRESIDENT: Don't know yet - a couple of fellows.

Q James Roosevelt?

THE PRESIDENT: Yes.

Q Will you be here over the Fourth of July?

THE PRESIDENT: I will be here all of July.

Q Any speaking engagements on the Fourth?

THE PRESIDENT: No.

Q Are you going to Hyde Park the end of the Summer?

THE PRESIDENT: The August thing is pretty tentative, but I think, if possible, I will get up to Hyde Park the first week in August and then come back here for a week or ten days, and then go back to Hyde Park for another week or ten days.

Q Thank you, Mr. President.

(The Press Conference adjourned at 4.30 P.M.)

CONFIDENTIAL
Press Conference #29
Executive Offices of the White House

June 14, 1933, 3.30 o'clock P.M.

THE PRESIDENT: There will be ready for you outside, as soon as we unlock the doors, copies of three documents, the British note to us -- I am wrong, Steve says that there are two notes in the State Department and the third document is just a little explanatory statement from me. You will find them all out in the tender mercies of Steve.

I might just as well read the three of them to you because it will make different things clear, I believe, and then, when we get through talking about this, if anybody wants to leave, it is all right. There is a 4 o'clock release line on this by arrangement with England, the reason being that Sir Neville Chamberlain is making a speech at that time in Parliament and we have to synchronize with his speech.

The British note to us, dated June 13, is as follows:

The Honourable
William Phillips,
Acting Secretary of State of the United States,
Washington, D. C.

Sir:

In reply to the Note handed to me by the State Department on June 9th --

I can say, by way of explanation, that that is the formal notice from the Treasury Department via the State Department that the debt is due.

-- I am directed by my Government to make the following communication to you:-

It will be recalled that the general views of His Majesty's Government in the United Kingdom on war debts and on their relation to present world difficulties were explained in notes exchanged in November and December last. His Majesty's Government at that time decided to make payment of the amount due on December 15th but they indicated clearly that this payment "was not to be regarded as a resumption of annual payments contemplated by the existing agreement" and they announced their intention of treating this payment "as a capital payment of which account should be taken in any final settlement."

Finally they pointed out that the procedure adopted "must obviously be exceptional and abnormal" and they urged upon the United States Government "the importance of an early exchange of views with the object of concluding the proposed discussions before June 15th next in order to obviate a general breakdown of existing inter-governmental agreements."

His Majesty's Government in the United Kingdom adopted this procedure because they recognized the peculiar position in which the then United States Administration was placed, and the impossibility of their undertaking any effective discussion of the problem at that time. His Majesty's Government acted,

however, on the understanding that the discussion would take place without delay, upon the provisions of the existing agreement in all its aspects, so as to arrive at a comprehensive and final settlement and in the belief that payment on December 15th would greatly increase the prospects of a satisfactory approach to the whole question.

Negotiations were accordingly started even before the new Administration was inaugurated; and His Majesty's Government in the United Kingdom have been most anxious to pursue them as rapidly as possible. On the occasion of the Prime Minister's visit to Washington the President and his advisers made preliminary explorations as to the basis of a clearer understanding of the situation. For reasons not within the control of either Government, however, it has not yet been possible to arrive at a definite conclusion of these negotiations.

All of that might be called preliminary.

A speedy conclusion is, however, urgently needed. The treatment of inter-governmental obligations must closely affect the solution of the problems with which the World Conference has to deal, because they cannot be separated from influences which have brought the world to its present plight. For instance, it is generally agreed that one of the first and the most essential of our aims should be to increase the general level of commodity prices. It may be recalled that after the Lausanne Conference there was a marked tendency for prices to rise, but that this tendency was reversed when the prospects of a final settlement of inter-governmental obligations receded, while the December payment was accompanied by a sharp fall in prices which was felt in America at least as much as in Europe. Experience, therefore, appears to show that the effect of these payments upon prices is very direct.

In the opinion of His Majesty's Government it is essential for the success of the Conference that the delegates should not be hampered and harassed by doubts about the possibility of a satisfactory settlement of war debts. Payment of a further instalment of the debt at this juncture would inevitably be judged to

mean that no progress whatever had been made towards such a settlement and would, therefore, deal a damaging blow at the confidence of the delegates.

In the circumstances and in view of their action last December, His Majesty's Government had hoped that the United States Government would have been able to accede to the request of His Majesty's Government to postpone payment of the June instalment pending discussion of war debts as a whole. Since, however, this does not appear to have been found possible, His Majesty's Government are obliged to decide upon their course of action.

Such a decision must in any case be of an extremely difficult character and in considering it His Majesty's Government have felt their deep responsibility not only to their own people, but to the whole world which is awaiting the deliberations and recommendations of the Conference with the utmost anxiety.

The conclusion at which His Majesty's Government have arrived is that payment of the June instalment could not be made at this juncture without gravely imperilling the success of the Conference and involving widespread political consequences of a most serious character. In their view the instalment should be considered and discussed as part of the general subject of war debts upon which they are anxious to resume conversations as soon as they can be arranged.

This must have been written by a lady because the last paragraph has all the meat in it. That is off the record. (Laughter)

In the meantime, in order to make it perfectly clear that they do not regard the suspension of the June payment as in any way prejudicing an ultimate settlement, His Majesty's Government propose to make an immediate payment of Ten-million dollars as an acknowledgment of the debt pending a final settlement. If, as they trust, the

Government of the United States is thereafter prepared to enter upon formal negotiations for an ultimate settlement of the whole war debt question, His Majesty's Government would gladly be informed of the time and place at which the United States Government would desire such negotiations to be begun.

I have the honour to be,
with the highest consideration,
Sir
Your most obedient,
humble servant,

R. C. LINDSAY.

To which the Acting Secretary of State replied this morning as follows:

Department of State,
Washington, June 14, 1933.

His Excellency
The Honorable Sir Ronald Lindsay,
P.C., G.C.M.G., K.C.B., C.V.O.,
Ambassador of Great Britain.

Excellency:

In reply to the note handed to me by Your Excellency on the 13th instant, I am directed by the President to make the following reply:

The President understands that His Majesty's Government have concluded that payment of the June fifteenth installment "could not be made at this juncture without gravely imperilling the success of the Conference and involving widespread political consequences of a most serious character." He notes also that accompanying this communication is a payment of ten million dollars "as an acknowledgment of the debt pending a final settlement," and notes the characterization of the circumstances with which the British Government accompanies this payment,

although he, by no means, concedes some of the statements concerning the world wide economic cause and effect contained in His Majesty's Government's communication, especially in so far as they affect the Economic Conference.

The President points out to His Majesty's Government the well known fact that it is not within his discretion to reduce or cancel the existing debt owed to the United States, nor is it within his power as President to alter the schedule of debt payments contained in the existing settlement. Such power rests with the Congress.

He notes likewise the suggestion of His Majesty's Government that they desire to make further representations concerning the entire question of the debt, and that His Majesty's Government requests that a time and place be indicated where such representations can be made to the President or the appropriate representative of the Executive. The President suggests that His Majesty's Government provide for such representations to be made in Washington as soon as convenient.

Any results of such a discussion of the debt question can be submitted for the information or the consideration of the Congress when it next meets.

Accept, Excellency, the renewed assurances of my highest consideration.

WILLIAM PHILLIPS

Acting Secretary of State.

And then we come down to ? which I think might help you, and then, if we can get through with this in time, anybody who wants to ask questions may do so but remember that 4 o'clock line on this.

"The British Government has today announced a payment to the United States of ten million dollars with a note indicating that this payment is to be considered 'as an acknowledgment of the debt pending a final settlement.' It has in its accompanying note pointed out circumstances that have induced it to take this action.

"Such payment does not of course in any sense prejudice the freedom of either Government in any subsequent discussion of the entire debt question which will take account of this and other debt payments. I announced in November, 1932 --

Remember, that is when I came to Washington on that trip.

-- a policy to the effect that a debtor may at any time approach a creditor with representations concerning the debt and to ask for readjustment of the debt or its terms of payment. Under such circumstances the debtor government makes such representations as it deems of importance with respect to the desirability of any readjustment in the terms already agreed upon. The British Government availed itself of this principle following the payment of the December fifteenth payment and I had informal discussions concerning the debt with the British Ambassador even before my inauguration --

That was when Sir Ronald Lindsay came down to Warm Springs at the end of January, the 31st of January.

-- On the occasion of the visit of the Prime Minister of Great Britain in April further exploration of the subject was made by us and additional discussions were held by the experts of the two Governments. Time and circumstances would not permit any definitive conclusions in these discussions because at the moment both Governments were vitally concerned in making preparation for the World Monetary and Economic Conference in London. It seems the part of fairness and wisdom to postpone formal representations on the debt subject until later.

Meanwhile the World Economic Conference is beginning under favorable auspices and it is vitally necessary that during the opening days of the Conference difficult and possibly protracted discussion of the debt be avoided.

"In a spirit of cooperation I have as Executive noted the representations of the British Government with respect to the payment of the June fifteen installment inasmuch as the payment made is accompanied by a clear acknowledgment of the debt itself. In view of those representations and of the payment I have no personal hesitation in saying that I do not characterize the resultant situation as a defult.

"Beyond this the law and the Constitution do not permit me to go. The American public understands clearly that the settlement under which these debts are now being paid was made under the authority of Congress and that Congress alone has the right to alter the amount and method of payment of this debt. Further than this, the Congress in December, 1931, in approving the moratorium in June of that year, specifically set forth that the debt should not be cancelled or reduced.

"Under my constitutional power, and in accordance with the terms of the policy which I have set forth, I can entertain representations of the British Government concerning the entire debt settlement and the British Government has requested that such opportunity be afforded. I have, therefore, suggested to them that such representations be made in Washington as soon as convenient. As a matter of information to the American public, I want to make it clear that the Economic Conference now being held in London does not include in its program any consideration of the debts owed by various governments to the United States. The American delegates have been instructed not to discuss debts with the representatives of any of the debtor governments. This is in accordance with the further principle that I have felt important, that the debts be considered on their merits and separate from other international economic questions.

"I have further informed the British Government that such representations and suggestions as may be made to me by the British representatives when they discuss the problem in Washington will be submitted to the Congress for information and consideration when the Congress next meets."

And so there we are.

Q Have you invited other nations -- will other nations have to make the same offer or will they be invited?

THE PRESIDENT: It depends on the individual nation.

Q What about the case of Italy?

THE PRESIDENT: I cannot tell you because as I understand it -- I will have to tell you this off the record because you cannot use it yet. As I understand it, the Italian Ambassador saw the Acting Secretary of State yesterday and told him that in all probability something will come. I don't think anything has come. I don't think any other formal note has come except the British note.

Q Will you deal with Italy in the same terms that you have with England?

THE PRESIDENT: Same principle for everybody.

Q What about others that have not paid the default of that December payment?

THE PRESIDENT: That is a different question.

Q How will those 10 million dollars be paid?

THE PRESIDENT: I have no information except very unofficially that it will be paid -- I don't know, in pounds or dollars

or something like that; not silver.

Q There was an understanding that while debts were not part of the Agenda of the Conference, they should be discussed simultaneously with individual debtors in London?

THE PRESIDENT: No.

Q That understanding was never corrected, or is this to the contrary?

THE PRESIDENT: Fred, where was that understanding made, do you know?

Q It was understood here; certainly the State Department officials at one time gave us that impression.

THE PRESIDENT

Q Didn't Messrs. Day and Williams, when they went over there, definitely tell them we couldn't, not long before I came in. I think they did.

Q The last word I had on that subject was from the present Secretary of State when he gave it as his opinion at a press conference that the debts might be discussed with individual nations simultaneously with other matters in London.

THE PRESIDENT: No, I think that Day and Williams were definitely told by Secretary Stimson that they could not agree in any way to the inclusion of debts in the Agenda and actually it does not appear in the Agenda.

Q Mr. President, the date of the meeting of Congress has been changed. Ordinarily this debt question would come up again in December, when Congress meets?

THE PRESIDENT: Yes?

Q But the Congress meets in January, although the debt payments are due during December, are they not?

THE PRESIDENT: Yes.

Q What would you do?

THE PRESIDENT: Oh, my Lord; I haven't got as far as December. (Laughter) That is literally true.

Q Congress may still be here? (Laughter)

Q Have you it in mind at all that any other nation is going to follow the same line of seeking consultation. The reason I ask is that there is a bulletin in the last afternoon paper saying that the French Government had word that a new proposition for debt conference in London was about to be made. I assume they may have some information as to the British plan.

THE PRESIDENT: Something may have come in this afternoon. Off the record, Bill Phillips told me late last night, about midnight, that he had unofficial word that the Belgians were not going to pay anything and he had word from Ambassador Rosso that a note was coming from Italy and that is all he had heard from. Oh, yes,

in addition to that the Finns and Rumanians are discussing methods of payment. They are still discussing it.

Q Mr. President, does that throw the budget out of balance for that amount?

THE PRESIDENT: Gosh, I don't know. I would have to ask the Director of the Budget. I don't know but I don't think it does.

Q Isn't it a fact that in preparing the tentative budgets, you excluded the debt payments from some of them?

THE PRESIDENT: I don't think so. I am inclined to think that if you will ask the Director of the Budget you will find that a portion was included; how much, I don't know.

Q Mr. President, is it your attitude that any debt discussion would have to take place right here?

THE PRESIDENT: Yes.

Q On all debts? Is that your reaction to the MacDonald speech?

THE PRESIDENT: No, that has been the rule from the very beginning -- before the rule was ever made. That was my instruction to the delegates before they left Washington.

Q Do you think it comes with good grace from MacDonald and Simon?

THE PRESIDENT: That is an "if" question.

Q I will withdraw it.

Q Have you in mind how soon these discussions will begin? You said, "as soon as possible." How soon will that be?

THE PRESIDENT: I think you had better not use this as anything except off the record because we don't know yet. It will probably be quite a long time -- possibly a month or two.

Q They will be taking place about the time the Economic Conference -- (interrupted)

THE PRESIDENT: Is getting over, I think so.

Q Mr. President, would you prefer that it not take place until after the Economic Conference?

THE PRESIDENT: We say any time that is convenient. In fact, this is off the record, we consider that there is mighty little relationship between the two, one way or the other.

Q What is the situation on the Veterans' Bill?

THE PRESIDENT: They are about to take a vote on the Steiwer-Cutting Amendment. You have all been correct on your stories. I will tell you this as background that, as a betting proposition you can bet about ten to one that I won't go through with the Steiwer

Amendment.

Q That means you will veto it? (Laughter)

THE PRESIDENT: I don't believe in pocket vetoes. I believe in good, worded vetoes.

Q Does that, perhaps, carry with it a radio talk?

THE PRESIDENT: No.

Q Will you postpone your trip while Congress is in session?

THE PRESIDENT: I will sit right here; I have got the whole summer.

Q Is the Administration going to act on the Bone Resolution calling for the conversion of Government bonds and the lower interest rate. As you know, the Senate passed that?

THE PRESIDENT: Did they pass it?

Q Sixty-nine to one.

THE PRESIDENT: Did they? That is a request or authorization or something like that. I think I spoke about that the other day. I don't think anybody can tell yet. If things go along and the market is right, of course if we can refund a little later on at a lower interest rate that would be fine. I don't think we will decide yet.

Q Do you care to say anything about the stabilization of the dollar?

THE PRESIDENT: Do you mean what the bankers are talking about in London?

Q Not only the bankers in London but many Americans. The dollar has been jumping up and down and I wonder if you are planning to do anything about it.

THE PRESIDENT: What did it do today?

Q I think it went up 5 cents on the pound.

Q It closed at 4.09.

THE PRESIDENT: No action in sight.

Q Will you tell us when you will officially appoint the Administrator for the Industrial Recovery?

THE PRESIDENT: After Congress goes home.

Q When will that be?

THE PRESIDENT: No comment.

Q Have you signed the Recovery Bill?

THE PRESIDENT: Haven't got it yet.

Q When do you expect to have it?

THE PRESIDENT: You see, on all the bills that set up new officers, if I sign them before Congress goes home, I will have to send up the names for confirmation, which means a quick decision.

Q Does that apply to the Railroad Bill too?

THE PRESIDENT: I don't know whether that has to be confirmed by the Senate or not.

Q Are you going to sign any bills?

THE PRESIDENT: I signed some authorizing the building of bridges, things like that. Nothing very important.

Q Has a decision been reached as to cotton control in agriculture?

THE PRESIDENT: Not yet; we are pretty nearly ready, but not ready yet.

Q Will that include the processing tax?

THE PRESIDENT: I assume so.

Q How about wheat?

THE PRESIDENT: I think you can guess on that that there will be nothing in the way of limitation on present acreage; it is too late. Of course we will try to do something about next Fall's crop -- winter wheat.

Q What is your attitude on this divorcing of jobs over $5,000, taking them out of civil service and making them Presidential appointments?

THE PRESIDENT: I don't know; does it take them out of civil service?

Q Requires Senate confirmation.

THE PRESIDENT: I haven't read about it. I did not know that it took them out of civil service. Of course it is wrong to take any $5,000 job out of civil service. I could not go along with that.

Q What is the prospect of a free market for newly mined gold?

THE PRESIDENT: I don't know. All I know is what I read

in the papers about it. Just off the record, I don't see why their gold should not be treated like everybody else's.

Q Will you see anybody about the Public Works program and how soon they will get to work on that?

THE PRESIDENT: I think -- put it this way -- I think that there are probably 10,000 projects which will have to be whittled down to 1,000 projects and during the two weeks I am off on the boat the 10,000 projects will be whittled and the final list presented to me as soon as I get back. The work will probably begin around the middle of July or the last half of July.

Q You mentioned something about Muscle Shoals and the Columbia Basin?

THE PRESIDENT: I don't know; you see all things have to be considered on their relative merits.

Q Have you changed your itinerary?

THE PRESIDENT: As soon as Congress gets through, 24 hours after.

Q There was an A.P. story this morning about you asking the resignation of Otis Smith.

THE PRESIDENT: I don't know.

Q It also said that Norman Davis has resigned.

THE PRESIDENT: That is a new one on me. He sent a long

message over last night and didn't say anything about it.

Q How about Joe Eastman as Coordinator?

THE PRESIDENT: That will have to wait until I sign the bill.

(The Press Conference adjourned at 4.00 P.M.)

CONFIDENTIAL
Press Conference #30
Executive Offices of the White House,
June 16th, 1933 - 4.15 P.M.

THE PRESIDENT: I have signed everything they put before me. What about your boat, Fred?

Q (FRED STORM) It is a seventy-two footer with five cabins in it. It is costing us four hundred a week.

THE PRESIDENT: Is it seagoing?

Q (MR. STORM) I hope so.

THE PRESIDENT: Only seventy-two feet?

Q I think it is seventy-eight feet.

THE PRESIDENT: I will have to take a look at it. Is everybody in?

Q Yes, sir.

THE PRESIDENT: Well, you know all the news.

Q We hope so.

THE PRESIDENT: No, you don't either. I have been very, very busy trying to get all this new stuff started. I have been signing bills most of the morning. I have appointed Commissioner Eastman as the Railroad Administrator. Then, on the Industrial Recovery Bill, I have appointed Hugh Johnson as Administrator

and I have created a Special Industrial Recovery Board consisting of the Secretary of Commerce, as Chairman. You will all get copies of the Executive Order that speaks for itself a little later so that you need not take down all these names. The Order has not been signed yet but it will be in a few minutes. They will be the Secretary of Commerce, the Attorney General, the Secretary of Labor, the Secretary of Agriculture, the Secretary of the Interior and the Administrator himself; also the Chairman of the Federal Trade Commission. The Administrator, with this Board, will start right in to put the industrial recovery section, Section One of the Act, into effect as quickly as possible. That is the section that relates to separate industries, codes, et cetera.

Number two, I have appointed Colonel Donald Sawyer as the Administrator, temporary Administrator of Public Works. That is under part two. I have also appointed, to work with him, a special board consisting of the Secretary of the Interior, as Chairman, and five other Cabinet Officers and the Director of the Budget. Incidentally, the Director of the Budget is on the other Board. Colonel Sawyer and

Colonel Spalding will, of course, be on that Board. They will go ahead during the next twenty days, that is until I get back, going over all of the projects which have been submitted or will be submitted and which will probably total a good many billions of dollars and then they will report to me on the list of those projects which they recommend.

They will also report to me on a proposed set-up for the establishment of the necessary machinery to carry this into effect. But, in the meantime, on the Public Works end of things, we will start actual employment because we are allotting, immediately, four hundred million dollars to the States, Territories and the District of Columbia for highways. That work will start at once. There is also an allottment of two hundred and thirty-eight million dollars to the Navy Department to start construction as quickly as possible on thirty-two new vessels under the London Treaty. I think that covers it pretty well.

Q Do you mean to say that you are going away for twenty days after all that?

THE PRESIDENT: So that it will be all ready for us by the

time we get back - all set to work. At least, I hope so.

Q Will the same Cabinet Officers serve --

THE PRESIDENT: Yes, and in addition, the Secretary of War.

Q Ten thousand projects. Is that the list that these men will get up; is that the number?

THE PRESIDENT: I am sure I did not say ten thousand.

Q You said something a while back about from ten down to one.

THE PRESIDENT: Yes, I used that as an illustration. I have no idea. What I meant to say was that there probably would be ten projects submitted or suggested for every one we could possibly accept.

Q Regarding the four hundred million dollars for the benefit of States on highways, is there an allocation by States?

THE PRESIDENT: There is an allocation in the bill and it is a little bit complicated. You will have to read the bill for it. It is something like this: Seven-eighths on a population basis and the other one-eighth on some other basis.

Q Seven-eighths on the present basis of Federal Road Aid and the other eighth on the population basis?

THE PRESIDENT: Yes, that is it.

Q Will ~~Colonel~~ General Johnson have anything to do with Public Works?

THE PRESIDENT: No, nothing at all.

Q Will this Industrial Recovery Board be over him?

THE PRESIDENT: How do you mean "over"?

Q Will they have authority over him or will he be directly under you?

THE PRESIDENT: He is directly under me but during this next three weeks I have to have someone in the Administration in touch with the whole thing so he and the Board will work together. Probably he and the Board will meet every other day.

Q The Board is a temporary set-up?

THE PRESIDENT: I don't know. This is something to get us over the next three weeks, to work up and start the machinery.

Q Is that the whole Board or does he appoint some others too?

THE PRESIDENT: That is the whole Board.

Q What is Colonel Spalding's title?

THE PRESIDENT: Colonel Spalding? He is one of the members of the Board.

Q Will they have administrative offices?

THE PRESIDENT: No.

Q Is there any additional machinery set up in the matter of railroads? Any other personnel than just the Co-ordinator?

THE PRESIDENT: I don't think so.

Q Did you ask Commissioner Eastman to do anything about railroad wages?

THE PRESIDENT: I haven't seen him at all on railroad wages. I guess I had better wait; there may be a story later on that.

Q With regard to the stabilization of currencies, you told us a while ago that we were not sure at that time that the time was ripe for stabilization, either de facto or de jure. In view of the conflicting reports from London, is there any change in our position?

THE PRESIDENT: I think the best way to talk is absolutely off the record. In the first place, our people over there obviously could not conclude any kind of an agreement without submitting it back here to the State Department and to me first. That is perfectly

clear.

Number two is equally clear and that is that they have not communicated with us in any shape, manner or form.

Therefore, the third point is equally clear and that is that they have entered into absolutely no agreement on the other side, tentative or otherwise.

The reason I say this has to be strictly off the record is because it looks to me a little bit as if some of our friends belonging to the other nations in London are trying to spread around the idea that we have entered into some kind of an agreement and then, if it does not go through, try to put the blame for a failure to stabilize on us. Knowing the way things are run at those conferences, I don't think it would be above some people to do just that very thing. That, literally, is all that has happened. There hasn't been a thing done by our people about stabilization. Of course, they are talking about it but they cannot do anything without submitting it to the Secretary of State and me and they haven't let us know a thing about it except that Cox is the

Chairman of that section.

Q Here is a dispatch that they have agreed that the inflation measure should not be put in. I thought you were going to send Moley over there to look after it.

THE PRESIDENT: No. Moley, from the very start, has been going over. He is going over a week or the week after --

MR. EARLY: He expects to sail on the Manhattan.

THE PRESIDENT: He expects to sail on the Manhattan; I didn't even know that. He will take a look-see and come back. Warren Robbins is coming back next week to report so as to give me a personal touch on things. There will be somebody else probably going over and coming back a couple of weeks later.

Q Inasmuch as they are using propaganda of this sort, don't you think there should be some reaction of some sort?

THE PRESIDENT: No, I am just wising you to it.

Q Can we use this stuff, ourselves?

THE PRESIDENT: No; just keep it in the back of your heads.

Q Will you give us what you consider the elements of successful agreement on stabilization?

THE PRESIDENT: Oh, my Lord; it would take me two hours and then neither one of us would know.

Q Can the Administration enter into an agreement like that - it does not have to go to Congress?

THE PRESIDENT: (Shakes head indicating "No")

Q What form does it take, the treaty form?

THE PRESIDENT: It is too early to tell you. The thing is this, that it should take some form of gentlemen's agreement that would hold things thoroughly steady but I would not go too far about any idea of stabilization at the present time.

Q That is in line with the question I wanted to ask: Is the Administration willing to enter into some sort of a stabilization arrangement?

THE PRESIDENT: That sort of question again is too uncertain. It depends on what kind of a stabilization agreement and where it was and what it was. We have had nothing put up to us. It depends entirely on what was put up to us.

Q Couldn't we use that last point, that this Government has not entered into any agreement, tentative or otherwise?

Q That was given by Woodin?

THE PRESIDENT: You can do that, that this Government has not entered into any agreement, tentative or otherwise, also that we have not heard anything in the way of suggestions or communiques from the other side. Phillips told me an hour ago that nothing had come in and that nothing would be done unless submitted here and approved by the Secretary of the Treasury, the Acting Secretary of State and myself.

Q You don't say in this case that we are not putting forward any suggestions - we are just listening?

THE PRESIDENT: Yes.

Q What is Harrison's function? He has gone over with the official party.

THE PRESIDENT: No, he went over -- Ernest (Lindley), I don't know. I think it is on an entirely separate meeting of the Central Bank. We did not know anything about it until it was announced.

Q When are you going to get back?

THE PRESIDENT: The afternoon of the 2nd or morning of the 3rd of July.

Q You are going to leave at eight-thirty?

THE PRESIDENT: Yes.

Q Besides James, who is going to be in your crew on your first trip up there?

THE PRESIDENT: To tell the honest truth, I don't know.

There will be George Briggs and John Cutter of Boston.

I think there is somebody else, some friend of James'.

Q Are they both from Boston?

THE PRESIDENT: Yes.

Q Are you going to navigate?

THE PRESIDENT: I guess so, when I am not asleep.

Q Mr. President, on the public works proposition, how long will be before no one can come in and ask you something?

THE PRESIDENT: Oh, gosh; until all the money is gone.

(Laughter)

(The Press Conference adjourned at 4.30 P.M.)